

FOR IMMEDIATE RELEASE

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Notice Regarding Disclosure of the Improvement Plan and the Status Report

As disclosed in the “Notice Regarding Designation of Security on Special Alert by Tokyo Stock Exchange” dated October 28, 2025, the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”) designated the Company’s shares as Security on Special Alert on October 28, 2025, based on the determination by the Tokyo Stock Exchange that the Company’s internal management system, etc. was in great need of improvement. In response to this determination, as disclosed in the “Notice Regarding Nidec's Policy for Developing the Improvement Plan” dated November 14, 2025, the Company announced its intention to develop and prepare an Improvement Plan and Status Report (hereinafter referred to as the “improvement plan”) for the purpose of fundamentally improving the internal management system, etc. The Company hereby announces that today it submitted the improvement plan to the Tokyo Stock Exchange.

However, the investigation by the third-party committee, which was established by the Company as disclosed in the “Notice Regarding Establishment of Third-Party Committee” dated September 3, 2025, and the investigation by outside experts as part of other internal investigations are still ongoing. Accordingly, the improvement plan as of today is not based on these investigation results, but was prepared by the Company based on the results of the extensive internal review undertaken by the Nidec Corporate Reform Committee established by the Company on October 30, 2025. The Company plans to re-examine and review the improvement plan based on the content of the investigation report by the third-party committee and other internal investigation reports upon receipt of those reports. The Company will implement the improvement of internal management

system development and such and reforms of governance and organizational culture, and continuously monitor the status of implementation.

Our executives and employees will work together to implement this improvement plan. We will continue to share important updates as they occur, and appreciate your continued support.

Improvement Plan and Status Report

Nidec Corporation

January 28, 2026

This document is an English translation of the Improvement Plan and Status Report dated January 28, 2026. The Improvement Plan and Status Report in Japanese is the original and this English translation shall be used solely for informational purposes. The information contained herein may change without prior notice. The Company does not undertake any obligation to provide the recipient with access to any additional information, to update this document with any additional information, or to correct any inaccuracies in any such information which may become apparent. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. The Company makes no assurances or warranties with respect to the completeness and accuracy of this English translation and assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising out of the translation.

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Part 1 Summary of correction of past fiscal years' accounts

As disclosed in the press release dated September 3, 2025, "Notice Regarding Establishment of Third-Party Committee," suspected improper accounting practices involving or recognized by certain management members of the Company or one of its group companies were found, and these practices, including arbitrarily adjusting the timing of write-downs of certain assets with risk in terms of their asset value, may impose a material impact on the Company's overall consolidated financial statements (hereinafter referred to as "this Issue"). Thus, the Company determined that it would need to launch an objective investigation by an independent third-party committee, and established such a committee in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations.

We commissioned to the third-party committee: fact-finding investigations into this Issue; calculation of the amount of impact if improper accounting is found; root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; and other matters deemed necessary by the third-party committee. In addition, the Company is conducting separate internal investigations of trade transactions issues and customs duties and withholding income tax issues.

At this time, since the investigation by the third-party committee and other internal investigations are still ongoing, the necessity of correction of past fiscal years' accounts and the amount of their impact have not been determined. However, if it is determined that correction of past fiscal years' accounts is necessary as a result of the above-mentioned investigations, the necessary corrections will be promptly initiated and the details will be appropriately disclosed.

Part 2 Background

1 How the problem came to light

(1) Discovery of the FIR Issue

As disclosed in the press release "Change in the scheduled submission date for the securities report" dated June 18, 2025, the Company recognized a trade-related issue with NIDEC FIR INTERNATIONAL S.R.L. (located in Italy, hereinafter referred to as "FIR"), one of the Company's consolidated subsidiaries, under the control of its Appliance and Automotive Division's Appliance, Commercial & Industrial Motors Business Unit, and requested an outside expert with which has knowledge of international trade law and customs law to conduct an

investigation. Based on the status report of the investigation received, further internal investigations and reviews were carried out with external experts. After that, as disclosed in the “Notice concerning board of directors’ resolution of application for approval of deadline extension for submission of securities report for 52nd fiscal year” dated June 26, 2025, the Company decided to apply for an extension of the deadline for submission of the Annual Securities Report for the 52nd fiscal year in order to conduct further internal investigation and review of the FIR trade transactions issues and customs issues (hereinafter referred to as the “FIR Issue”), and received approval on June 27, 2025 with the extended deadline of September 26, 2025.

Between April 2018 and September 2023, FIR shipped to the United States oven motors manufactured at FIR's Italian plant using Chinese components, and FIR itself was the importer of record for such motors in the United States. According to the customs laws and regulations of the United States, because of the component bill of materials for such motors, the origin of the motors should have been declared as China, not Italy. However, FIR designated the origin of the motors as Italy (hereinafter referred to as the “Country of Origin Violation”). As a result, FIR did not pay the required additional United States customs duties to be paid for the import of oven motors designated as originating in China.

The Country of Origin Violation was identified by the person in charge of legal affairs and trade control of the Appliance, Commercial & Industrial Motors Business Unit (hereinafter referred to as “ACIM”) to which FIR belongs, between February and June 2022 and reported to Trade Compliance Department of NIDEC AMERICAS HOLDING CORPORATION (hereinafter referred to as “NAHC”), the regional headquarters for Nidec in the Americas. After that, NAHC urged correction of the Country of Origin Violation, but ACIM did not undertake sufficient corrective measures. As a result, shipments continued the Country of Origin Violation until September 2023.

In addition, the above situation was reported by NAHC to some Vice Presidents and others of the Company in August 2023, but those individuals believed that it would be resolved between NAHC and ACIM, so the reporting of the Country of Origin Violation within the Company was delayed.

In September 2023, FIR suspended the production and shipment of the oven motors and changed the supplier of the main parts and the manufacturing process in December 2023 so that the country of origin for those motors would be properly designated as Italy. Around the same time, NAHC commissioned an outside expert to investigate the reason and background of the Country of Origin Violation (hereinafter referred to as the “External Prior Investigation”). In the External Prior

Investigation, it took time to obtain clearance under the General Data Protection Regulation (EU) and conduct a forensic investigation. Therefore, NAHC submitted its report (hereinafter referred to as the “Preliminary Investigation Report”) to the Company on March 6, 2025.

Based on the Preliminary Investigation Report, the Company notified its accounting auditor of the Country of Origin Violation on March 31, 2025.

In addition, the Company decided that the Company would conduct an internal investigation (hereinafter “Internal Investigation”) into the matters pointed out in the Preliminary Investigation Report but whose details were unclear and established an internal investigation committee (hereinafter “Internal Investigation Committee”) on April 14, 2025. While investigating the matters under the Internal Investigation Committee, the Company decided to commission an external expert to investigate (hereinafter “External Investigation”) whether there were any erroneous declarations of country of origin of products manufactured by FIR beyond the oven motors that were the subject of the External Prior Investigation, among the other matters subject to investigation in the Internal Investigation. The Company received an investigation report on the External Investigation (hereinafter “Investigation Report”) on June 11, 2025.

The Investigation Report pointed out that although the method of manufacturing implemented after December 2023 for determining the country of origin (made in Italy) of FIR’s oven motors was appropriate under criteria for determining the country of origin in the U.S., the country of origin of motors other than oven motors manufactured by FIR was likely be determined to be China. In response, the Company instructed FIR in June 2025 to stop shipping and importing the products to the U.S. except when the country of origin of the products was declared as China, and to disclose to U.S. customs authorities all erroneous country of origin declarations. FIR filed a voluntary declaration with the U.S. Customs Service for the unpaid additional tariffs and paid approximately \$6.8 million in unpaid tariffs from the prior five years. On December 2, 2025, FIR received notification from the U.S. Customs Service that the review of the voluntary declaration had been closed.

After reviewing the Investigation Report, the Internal Investigation Committee decided, based on the external experts opinions on the Investigation Report, that it was necessary to conduct further internal investigations with the assistance of external experts to examine: (i) whether there are any similar events occurring outside of FIR with respect to the events that occurred at FIR, and whether and to what extent the events have had an impact on the consolidated financial statements; (ii) the assessment of the parties involved in the Country of Origin Violation; and (iii) the impact on

internal controls. The investigation into whether similar incidents occurred at companies other than FIR is ongoing.

(2) Discovery of other issues

Nidec Techno Motor Corporation (hereinafter “Techno”), a subsidiary of the Company, notified the Company’s Audit and Supervisory Committee on July 22, 2025 of suspected improper accounting in late September 2024 by Nidec Techno Motor (Zhejiang) Co., Ltd., the Company’s Chinese subsidiary, in connection with a lump-sum payment (worth 10 million yuan, or approximately 200 million yen) representing a discount for a purchase from a supplier (hereinafter the “Techno Issue”).

In response to this, the Company engaged outside attorneys, certified public accountants, and other external experts to conduct internal investigations under the supervision of the Company’s Audit and Supervisory Committee, including digital forensic procedures, in order to clarify the Techno Issue. These investigations found multiple documents suggesting that, in addition to Techno, the Company and its group companies could have engaged in improper accounting with the involvement or knowledge of its or their certain management members and that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value.

Given the situation, the Company recognized limitations in the Company’s previous internal investigation system engaging external experts, as well as the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations, as described in (3) below.

In addition, the investigation including the aforementioned digital forensic procedures found that Nidec Elesys Corporation (currently the Inverter Business Division of Nidec Corporation's Automotive Motor & Electronic Control Business Unit) allegedly declared to customs, without just cause, a lower-than-proper price for the gratuitous transactions of its used products when exporting them to China in past fiscal years (hereinafter the “Elesys Issue”). An additional investigation by outside experts into the Elesys Issue is continuing as part of the internal investigations.

Furthermore, the investigation of the FIR Issue revealed that the Company's consolidated subsidiary in Switzerland may not have taken appropriate measures for conducting export transactions without the necessary registration (hereinafter the “Swiss Consolidated Subsidiary Issue”). In addition, it was recognized through whistle-blowing reports that a Chinese consolidated subsidiary of the Company could have intentionally underreported withholding income taxes in the consolidated fiscal years including the previous fiscal year (hereinafter the “Chinese Consolidated Subsidiary Issue”). These issues are also being investigated by outside experts as part of the internal investigations.

(3) Establishment of third-party committee

Chairperson	Kaku Hirao	Attorney-at-Law, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Member	Toraki Inoue	Certified Public Accountant, Accounting Advisory Co., Ltd.
Member	Makoto Shirai	Attorney-at-Law, Kohwa Sohgo Law Offices
Establishment date		September 3, 2025
Matters commissioned		<ul style="list-style-type: none"> (1) Fact-finding investigations into suspected improper accounting practices (including the Techno Issue) at the Company and its group companies, such as arbitrarily adjusting the timing of write-downs of certain assets with risk in terms of their asset value; (2) Calculation of the amount of impact if improper accounting is found; (3) Root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; (4) Other matters deemed necessary by the third-party committee.

The particulars of the internal investigations into the Techno Issue have been carried over to the third-party committee after the third-party committee confirmed that the particulars would not affect the neutrality or fairness of the third-party committee’s investigations.

The FIR Issue, the Elesys Issue, the Swiss Consolidated Subsidiary Issue, and the Chinese Consolidated subsidiary Issue are outside the scope of the matters commissioned to the third-party committee because they are in principle trade transaction issues and customs duties and withholding income tax issues, and are not related to the suspected improper accounting practices, and the internal investigations have been conducted with the cooperation of outside experts. With

regard to the assessment of the parties involved in these issues, necessary actions will be taken based on the investigation report by the third-party committee.

2 Material weakness about internal control over financial reporting

The Nidec Group, while recognizing the FIR Issue, failed to reflect its impact on the consolidated financial statements in a timely manner afterwards. The reason for this is that the Company's officers and employees who received information regarding the conduct that potentially violated laws and regulations failed to report such information to members of Company's management through the designated reporting line. As such, necessary internal discussions and reviews about the material risk information were not conducted, resulting in a loss of opportunity for early correction (company-wide internal control: information and communication). Another reason is that the Company's internal control system designed to ensure comprehensive collection of material risk information to reflect them in the consolidated financial statements was not properly organized (internal control over the Company's accounting and financial closing processes).

As disclosed in "Notice Regarding Material Weakness about Internal Control over Financial Reporting and Disclaimer of Evaluation Results in Internal Control Report" dated September 26, 2025, the Company has identified the weakness about its internal controls, specifically, the inadequacies in its company-wide internal control (information and communication) and its internal control over accounting and financial closing processes. As these inadequacies are considered to have a potentially significant impact on the Company's financial reporting, the Company has determined that they constitute a material weakness.

3 Disclaimer of audit opinion and review conclusion

- As disclosed in "Notice Regarding Disclaimer of Opinion in the Audit Report Concerning the Consolidated Financial Statements in the Securities Report and Disclaimer of Opinion in the Internal Control Audit Report for the Fiscal Year Ended March 31, 2025" dated September 26, 2025, the Company received an audit report containing a disclaimer of opinion on the consolidated financial statements in the securities report for the fiscal year ended March 31, 2025. The content of the disclaimer of opinion pointed out in the report is as follows.

<Disclaimer of Opinion>

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the consolidated financial statements of Nidec Corporation provided in the “Financial Information” section, which comprise the consolidated statement of financial position, consolidated statements of income and consolidated statements of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements for the consolidated fiscal year from April 1, 2024 to March 31, 2025.

Given the significance of the potential impact of the matters described in the “Basis for Disclaimer of Opinion” on the consolidated financial statements, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for expressing an audit opinion on the consolidated financial statements, so we do not express an audit opinion.

<Basis for Disclaimer of Opinion>

As described in the Notes to Consolidated Financial Statement “Investigations by Third-Party Committees and Other Internal Investigations” section “1. Investigations by Third-Party Committees”, the Company has identified suspicions of inappropriate accounting treatment with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write downs of assets that carry evaluation risk, which could have a significant impact on the consolidated financial statements. Therefore, the Company determined that an objective investigation by a third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting practices is identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

In addition, as described in the Notes to Consolidated Financial Statements “Investigations by Third-Party Committees and Other Internal Investigations” section “2. Other Internal Investigations”, the Company is conducting internal investigations into issues related to trade transactions and tariffs.

The Company has stated in the Notes to Consolidated Financial Statement “Investigations by Third-Party Committees and Other Internal Investigations,” the investigations by the

third-party committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and pervasive impact on the consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific consolidated financial statement line items and notes, such impact has not been reflected in the consolidated financial statements.

We were unable to obtain sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements. We have also determined that the potential impact of undetected misstatements, if any, on the consolidated financial statements could be material and pervasive and is not limited to specific consolidated financial statement accounts or notes. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

In addition, as disclosed in the “Notice Regarding Disclaimer of Conclusion in the Interim Review Report Concerning Financial Statements Summary for the Three Months Ended June 30, 2025” dated November 14, 2025, the Company received from its accounting auditor an interim review report containing a disclaimer of conclusion on the condensed quarterly consolidated financial statements in the Financial Statements Summary for the Three Months Ended June 30, 2025. The content of the disclaimer of opinion pointed out in the report in the interim review is as follows.

<Disclaimer of Conclusion>

We have reviewed the condensed quarterly consolidated financial statements included in the “Attachment” of the Financial Statements Summary, namely, the consolidated statements of financial position as of June 30, 2025 of Nidec Corporation, and the related condensed quarterly consolidated statements of income, comprehensive income, changes in equity and cash flows, including notes to the condensed quarterly consolidated financial statements for the consolidated fiscal year from April 1, 2025 to June 30, 2025.

Based on our interim review, we do not express a conclusion on whether the above condensed quarterly consolidated financial statements present fairly, in all material respects, in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omissions specified in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements apply), in light of the significance of the possible effects on the condensed quarterly

consolidated financial statements of the matters described in the “Basis for Disclaimer of Conclusion.”

<Basis for Disclaimer of Conclusion>

As described in the Note to the Condensed Quarterly Consolidated Financial Statement “Investigations by Third Party Committee and Other Internal Investigations” section “1. Investigations by Third-Party Committee,” the Company has identified suspected improper accounting practices with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which could have significant impact on the entire consolidated financial statements. Therefore, the Company determined that an objective investigation by third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting treatment is identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

As described in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “2. Other Internal Investigations”, the Company is conducting internal investigations into issues related to the trade transactions and tariffs.

In addition, as described in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “3. Others”, the Company has recorded impairment losses on non-financial assets and provisions for loss on contract in the “AMEC” segment in the three months ended June 30, 2025. In addition, the Company has recorded liabilities arising from the settlement of claims for indemnification from suppliers in the “MOEN” segment in trade payables and other liabilities. However, regarding the existence of any inappropriate adjustments in amount, timing of recognition, and notes for the impairment losses, provisions for loss on contract, trade and other payables, the Company shared information with the third-party committee in early November 2025 concerning the matters on Battery EV related business in the “AMEC” segment and those related to the “MOEN” segment, confirming that these

are included within the scope of investigation by the third-party committee. In addition, regarding the matters on automotive inverter business in the “AMEC” segment, there is a possibility of being included in the scope of investigation by the third-party committee hereafter. Therefore, misstatements on amount, timing of recognition and notes may be identified in the investigation by the third-party committee for each of these matters.

The Company has stated in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations,” the investigations by the third-party committee and other internal investigations are ongoing, and if any misstatements are identified as result of the investigations, they could have material and pervasive impact on the condensed quarterly consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific condensed quarterly consolidated financial statements line items and notes, such impact has not been reflected in the condensed quarterly consolidated financial statements.

We are unable to obtain evidence to form a conclusion on the condensed quarterly consolidated financial statements for the three months ended June 30, 2025. We have also determined that the potential impact of undetected misstatements, if any, on the condensed quarterly consolidated financial statements could be material and pervasive. As a result, we were unable to determine whether any adjustments to the condensed quarterly consolidated financial statements were necessary.

We have not expressed an audit opinion on the consolidated financial statements for the previous consolidated fiscal year.

In addition, as disclosed in the “Notice Regarding Disclaimer of Conclusion in the Interim Review Report Concerning the Semi-annual Report for the Six Months Ended September 30, 2025” dated November 14, 2025, the Company received from its accounting auditor an interim review report containing a disclaimer of conclusion on the condensed interim consolidated financial statements in the Semi-annual report for the six months ended September 30, 2025. The content of the disclaimer of opinion pointed out in the report in the interim review is as follows.

<Disclaimer of Conclusion>

Pursuant to the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the condensed interim consolidated financial statements included in the “Financial Information”, namely, the consolidated statements of financial position as of September 30, 2025 of Nidec Corporation, and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows, including notes to the condensed interim consolidated financial statements for the consolidated fiscal year from April 1, 2025 to September 30, 2025.

Based on our interim review, we do not express a conclusion on whether the above condensed interim consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of September 30, 2025, and the results of their operations and cash flows for the interim consolidated period then ended, in light of the significance of the possible effects of the matters described in the “Basis for Disclaimer of Conclusion.”

<Basis for Disclaimer of Conclusion>

As described in the Note to the Condensed Interim Consolidated Financial Statement “Investigations by Third-Party Committee and Other Internal Investigations” section “1. Investigations by Third-Party Committee,” the Company has identified suspected improper accounting practices with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which could have significant impact on the condensed interim consolidated financial statements. Therefore, the Company determined that an objective investigation by third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting treatment is identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

As described in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “2.

Other Internal Investigations”, the Company is conducting internal investigations into issues related to the trade transactions and tariffs.

In addition, as described in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “3. Others”, the Company has recorded impairment losses on non-financial assets and provisions for loss on contract in the “AMEC” segment in the six months ended September 30, 2025. In addition, the Company has recorded liabilities arising from the settlement of claims for indemnification from suppliers in the “MOEN” segment in trade payables and other liabilities. However, regarding the existence of any inappropriate adjustments in amount, timing of recognition, and notes for the impairment losses, provisions for loss on contract, trade and other payables, the Company shared information with the third-party committee in early November 2025 concerning the matters on Battery EV related business in the “AMEC” segment and those related to the “MOEN” segment, confirming that these are included within the scope of investigation by the third-party committee. In addition, regarding the matters on automotive inverter business in the “AMEC” segment, there is a possibility of being included in the scope of investigation by the third-party committee hereafter. Therefore, misstatements on amount, timing of recognition and notes may be identified in the investigation by the third-party committee for each of these matters.

The Company has stated in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations,” the investigations by the third-party committee and other internal investigations are ongoing, and if any misstatements are identified as result of the investigations, they could have material and pervasive impact on the condensed interim consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific condensed interim consolidated financial statements line items and notes, such impact has not been reflected in the condensed interim consolidated financial statements.

We are unable to obtain evidence to form a conclusion on the condensed interim consolidated financial statements. We have also determined that the potential impact of undetected misstatements, if any, on the condensed interim consolidated financial statements could be material and pervasive and is not limited to specific condensed interim

consolidated financial statement accounts or notes. As a result, we were unable to determine whether any adjustments to the condensed interim consolidated financial statements were necessary.

We have not expressed an audit opinion on the consolidated financial statements for the previous consolidated fiscal year.

4 Designation of Security on Special Alert

As disclosed in the “Notice Regarding Designation of Security on Special Alert by Tokyo Stock Exchange” dated October 28, 2025, the Tokyo Stock Exchange placed the Company’s stock on Security on Special Alert on October 28, 2025 because the audit opinion in the audit report attached to the financial statements in the securities report, which serves as a basis for investors to make appropriate investment decisions, contained a disclaimer of opinion and the Company’s internal management system, etc. was considered to be in high need of improvement.

Regarding the details of the reason for the designation as a Security on Special Alert, the Tokyo Stock Exchange pointed out that Company disclosures, submissions, and other information revealed the following facts:

- Despite extending the submission deadline for the annual securities report by approximately three months, the Company submitted the report with an audit report that included a ‘disclaimer of opinion.’ This suggests that the Company has still not been able to disclose accurate financial results, and there remains a possibility that past fiscal year accounts may need to be corrected.
- Since the initial issue was discovered, the scope of the investigation has continued to expand. Even though a considerable amount of time has passed, the completion date of the third-party committee’s investigation remains uncertain. As a result, the Company has not been able to provide investors with a clear outlook on when its financial reporting schedule will return to normal.
- Although the third-party committee’s investigation is still ongoing, deficiencies have already been identified in the Company’s company-wide internal control systems (particularly in areas related to information and communication), as well as in the internal controls related to its accounting and financial closing processes. In light of these findings

and considering the likelihood that they could have a significant impact on the Company's financial reporting, the Company has determined that these deficiencies constitute material weaknesses that should be disclosed.

Part 3 Improvement measures

As described in Part 2 above, due to this Issue and trade transactions issues and customs duties and withholding income tax issues in the Group, the Company continues to receive disclaimers of opinion and conclusion, including a disclaimer of audit opinion of Annual Securities Report for the fiscal year ended March 31, 2025, a disclaimer of review conclusion of the Consolidated Financial Results for the First Three Months of the Fiscal Year ended March 31, 2026, and a disclaimer of review conclusion of the Semi-annual Securities Report for the Fiscal Year ended March 31, 2026. As a result, the Company has not been able to disclose appropriate financial results, including the continuing possibility of corrections of past fiscal years' accounts. In addition, investigations have continued to expand since the initial issue was discovered, and the third-party committee investigation related to this Issue has not been completed despite the time that has passed since the establishment of the third-party committee on September 3, 2025, and the Company's financial closing schedule is not in a normal state. Furthermore, at least in the FIR Issue, there are material inadequacies in the company-wide internal control (information and communication) and in the accounting and financial closing processes.

Currently, our clear direction is to transform ourselves into a company that puts the "right" first with high ethical standards. We will also develop leaders who think and act autonomously. Moreover, we will transform ourselves into an organization that constantly seeks to be right, with everyone actively sharing their opinions and confirming each other.

In order to realize this direction, after the establishment of the third-party committee, messages were sent from the Board of Directors and from the Representative Director, President and CEO (hereinafter referred to as "President") where the President urged the Group to speak up in a frank manner, showing the importance of putting the highest priority on compliance and of working together with employees to do the right thing.

Furthermore, the President's visit to group companies and the installation of opinion boxes have started to raise the voices of the people in the field. On top of that, from November 2025, we implemented under the management and supervision of the third-party committee an accounting voluntary inspection of all group companies to examine the appropriateness of accounting practices for the past six years (hereinafter referred to as the "accounting voluntary inspection").

In addition to these efforts, as announced in the “Dear Valued Business Partners” dated November 4, 2025, the Company established the Nidec Corporate Reform Committee in order to formulate and execute improvement measures at an early stage to prevent recurrence, and to reform as a company that can put “what is right” first and foremost with high ethical standards. The Nidec Corporate Reform Committee is comprised of the President as chairperson and 13 other members of the Company who will lead the next generation. The Nidec Corporate Reform Committee has several working groups (hereinafter “WG”), specifically, Governance WG, Restructuring WG, Accounting/Finance WG, Corporate Culture WG, Human Resources WG, Audit/Internal Management System WG, IT WG, and Quality WG, made up of officers and employees of the Company and the group companies. These WGs have collected and continue collect opinions of not only the selected members of the Nidec Corporate Reform Committee but also a wide range of officers and employees from the Company and the group companies, and constantly discuss issues facing the Group and measures for reform, while receiving advice from external advisors and paying close attention not to hinder the investigations by the third-party committee. Based on the discussions in these WGs, the Company has held Nidec Corporate Reform Committee meetings two or three times a month since November 2025, in which its chairperson and members participate, and two full-time members of the Audit and Supervisory Committee join as observers.

The Nidec Corporate Reform Committee, as of the date of this document, has conducted interviews with 26 individuals, including 7 outside directors, executive officers involved in the Company's businesses, and domestic and international officers and employees (each hereinafter a “Target Individual”). To avoid impacting or interfering with the investigation by the third-party committee, these interviews were conducted to collect various opinions from officers and employees of the Group on their views regarding the possible root cause of suspected improper accounting practices recognized by the Company, if it is later determined to be true that improper accounting occurred, and not for the purpose of the Company independently confirming the specific relevant facts related to this Issue.

Based on the results of these interviews the Nidec Corporate Reform Committee discussed common items that may lead to improper accounting practices and deficiencies in the internal controls, analyzed the causes, and formulated improvement measures to prevent a recurrence based on the analysis.

The investigation by the third-party committee and the investigation by outside experts as part of the other internal investigations are continuing to specify the relevant facts and the causes, and the

Company is fully cooperating with them. If any issue such as improper accounting is identified in these investigations, the Company will review the recurrence prevention measures after reanalyzing the cause, on the basis of the causes determined from the specific relevant facts related to the improper accounting, etc. and of the recommendations for recurrence prevention measures from the third-party committee, etc. In addition, if it is determined that correction of past fiscal years' accounts, etc. are necessary as a result of these investigations, the Company will promptly make the necessary corrections and disclose appropriate financial statements.

1 Analysis of the causes

(1) Excessive shareholder primacy to continue to demonstrate growth

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Former head of the Global Group (resigned as of December 19, 2025, currently Chairman Emeritus, and hereinafter referred to as the “former representative”) had a strong tendency to place too much emphasis on maintaining or increasing the level of stock prices and market capitalization.
- Certain members of the Company's management requested meetings several times a day with each Business Unit and domestic Group company to monitor progress and confirm the achievement of numerical targets.

Based on these points, we analyze that “excessive shareholder primacy to continue to demonstrate growth” was a cause of this Issue as follows.

Our basic management stance has always been to establish “high business growth, high profits, high shareholder value”, as outlined in “The Challenging Road” booklet shared with employees that summarizes the philosophy and behavioral principles of the former representative, and stock prices have been regarded as an important indicator. In addition, since 2018, the stock price has been more emphasized as a “report card of management” and used as a management indicator in the selection of candidates to succeed the former representative as then-President of the Company. When the stock price became more sluggish than before, an internal profit target (different from the published accounts forecast) was set in order to recover the stock price. In order to achieve this goal, the Company strengthened the framework in which certain members of the Company's management assign profit targets to each Business Unit and domestic Group company, and these

profit targets served as the basis for the disclosed business plan. Profit targets set in this way were sometimes perceived as difficult to achieve by those for whom the targets were set, based on the actual business environment. In addition, once a profit target had been set, it was sometimes subsequently increased in order to revise upward the corporate performance of the entire Group, or profit targets were added individually depending on the achievement status of an individual Business Unit or domestic Group company, and it was sometimes thought that a more difficult target had been set.

There has also been excessive performance management by certain members of our management to achieve profit targets. In addition to monthly confirmation of the achievement of targets, repeated meetings were held several times a day when there was a possibility that a target would not be achieved, and progress management and confirming the achievement of the numerical targets were conducted daily. Moreover, the last meeting of the day was set for midnight local time for many employees, and there were cases of excessive micromanagement, such as being required to draw up strict measures until the target could be achieved. Furthermore, executives of businesses that did not achieve their targets were sometimes criticized by name in front of colleagues, either in meetings or by email.

In this way, under the situation where profit targets determined by the top-down approach were required to be achieved through excessive micromanagement, severe pressure to achieve the targets was generated at each level of management, such as the management of the Company, the management of each Group company, and within each Group company.

- (2) A corporate culture that gives top priority to short-term profits and does not allow targets to be missed

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- They were frequently asked to achieve results in a short period of time.
- Vice President appointments were strongly linked to the Company's short-term performance.
- Since the term of the office for Vice Presidents is short, they were required to achieve results in a short period of time.

Based on these points, we analyze that the “corporate culture that gives top priority to short-term profits and does not allow targets to be missed” was a cause of this Issue as follows.

Certain members of Company management were focused on continuing to demonstrate current performance progress while presenting a vision of the Company’s future growth potential in order to enhance the share price.

As described in (1) above, the method of excessive micromanagement guidance from certain members of the Company’s management to the management of each Business Unit and domestic Group company has been linked to each level, creating a situation in which the executives and employees of each Business Unit and domestic Group company find it difficult or impossible to express their opinions, giving top priority to short-term profits, and creating a behavioral style and corporate culture based on a mindset of not allowing targets to be missed.

The Nidec Group Company Values consists of the “Three Essential Attitudes,” which are the former representative’s philosophies of life and management. One of the Three Essential Attitudes, “Do it now; do it without hesitation; do it until completed,” is a philosophy that shows our strong commitment to accomplishing objectives. Through Rindokukai (short morning sessions where team members take turns reading aloud from a selected book or material), reading of “The Challenging Road,” a collection of these episodes, and the former representative’s instructions at employee morning assembly sessions inside and outside of Japan, the message that “those who make profits are most valued” was repeatedly shared. In addition, the business performance evaluation system that placed too much emphasis on the ratio of achievement to the target operating profit and the personnel evaluation system that, through its operation, led to a focus on performance and neglect of behavior, especially for the Company’s Vice Presidents, and affected the values, behavior and thinking styles of employees.

Based on these values, behaviors, and thinking styles, it is believed that a sense of prioritizing short-term profits, that is, prioritizing the achievement of short-term profit targets, has developed.

Moreover, as described in (1) above, those in the Company who reported that they had not achieved their targets were sometimes given excessively strict guidance in front of colleagues, and such guidance was linked to each level, and it was considered that a culture of not tolerating the nonachievement of targets and of not being able to speak out was created.

Furthermore, due to a lack of resources in the system for responding to reports, investigations related to compliance violations were sometimes delayed or insufficient, and the disciplinary

actions against the parties involved were sometimes seen as inconsistent and prioritizing the impact on business. As a result, there was recognition among employees that disciplinary actions for raising issues or problems were not handled appropriately, and as a result, it is considered that a climate of silence was created.

(3) Culture of prioritizing the opinions of the former representative

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Executives speculated on the former representative's intentions.
- There was a culture of trying to receive approval from the former representative, and the focus was on what to do to get approval from the former representative.

In light of these observations, we analyze that the “culture of prioritizing the opinions of the former representative” caused vulnerabilities in governance and internal controls and led to the occurrence of this Issue, as people around the former representative regarded him as having concentrated authority. At the Company, people considered that authority was concentrated in the former representative, who founded the Company and is recognized as a charismatic manager, and officers tended to rely on the judgment of the former representative and give priority to his opinions. To be more specific, according to the Company's regulations, the person who approved the proposal differed depending on the size of the Group company, its business performance, whether it was in Japan or overseas, the approved amount, etc., but the authority over the Company's Business Units, which are the Automotive Motor & Electronic Control Business Unit, Small Platform Motor & Solutions Business Unit and Machinery and Automation Business Unit, and group companies in Japan was concentrated in the former representative. In addition, the former representative had the final decision-making authority and decision-making authority on Vice President personnel at domestic Group companies.

As a result of this situation, and the recognition that authority was concentrated in the former representative, there was a tendency to create business plans and investment plans that were in line with the wishes of the former representative, and not to allow progress reports that were not in line with the plans. Moreover, it was virtually required to obtain the approval of the former representative on matters to be submitted to the Board of Directors of each Business

Unit and domestic Group company, and it is thought that a system dependent on the former representative was created.

Therefore, there is a possibility that policies, etc. considered to be the intention of the former representative, were not necessarily decided following sufficient checks.

For example, in some businesses positioned as pillars of growth, the Company has implemented a “waiting strategy” of making large-scale investments in anticipation of future demand growth. These included capital investment and plant construction for vertical integration, and a policy of receiving all orders based on the intention of the former representative was being implemented. Furthermore, since the former representative and a certain Vice President were mainly in charge of the Company’s mergers & acquisition activities (“M&As”), information was not shared with other officers and employees of the Company in a timely manner, and as a result, other officers and employees were not in a position to fully examine the content of the Company’s M&As. With regard to these investments, there is a possibility that the analysis and risk management based on the investment recovery plan and business portfolio were insufficient, or that the check function was not sufficient due to the lack of information provided.

(4) Governance vulnerabilities

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- It is difficult for outside directors to properly identify operational risks when they are not familiar with the business.
- Sufficient risk information, information on actual business conditions, and the status of discussions were not shared with Board of Directors by the officers, the Vice Presidents and the division in charge.

Based on these findings, we analyze that the “governance vulnerabilities” were a cause of this Issue.

In the past, against the backdrop of the strong demand from the former representative and some Vice Presidents to set extremely high targets and the corporate culture that does not allow targets to be missed, there was a practice of reporting preliminary results at the beginning of each month as “monthly business results” to the Board of Directors as if high targets had been achieved. However, deviations from quarterly financial results occurred so frequently that the reporting of

“monthly business results” was not conducted after December 2022, and no information on results was reported to the Board of Directors thereafter. In addition, compliance violation and other material risk information identified by executives were not sufficiently reported to the Board of Directors. As described above, there is a possibility that the Board of Directors was unable to fully exercise its supervisory function in a situation where there was a lack of information on the actual status of businesses and risk information.

In addition, regarding the composition of the Board of Directors, appointed outside directors were mainly people with academic experience and administrative experience and did not include people with management experience of listed companies or accounting experts. Therefore, there is room for executives to have a variety of specialties that can confirm and point out risks from a more diversified perspective.

(5) Internal control weaknesses

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Internal audits have not been carried out sufficiently at some sites.
- At the performance meetings, the CFOs of Business Units and domestic Group companies (in charge of the accounting department, which is the second line) were strictly scrutinized for performance.

In light of these findings, we have analyzed that “internal controls weaknesses” were a cause of this Issue.

Essentially, in order to ensure the effectiveness of internal controls, it is necessary to build a three-line defense system that realizes highly effective governance while clarifying the roles and independence of each line. The accounting department, which is the second line, is expected to maintain an independent position from the business divisions, which are the first line, and to play a role in checking and supporting the activities of the first line. The internal audit, which is the third line, is expected to monitor the effectiveness of internal controls from an independent position.

In this regard, in the Group, many accounting departments and business divisions coordinated to set a common goal of achieving profit targets. This may have allowed the recognition of prioritizing short-term profits to permeate the accounting departments of the Company and

group companies and weakened the effectiveness of the second defense line of the accounting department.

In addition, in the FIR Issue, the Company's officers and employees who received the information regarding the conduct that potentially violated laws and regulations failed to report such information to members of the Company's management through the designated reporting line, necessary internal discussions and reviews regarding the information on the material risk were not conducted, resulting in a loss of opportunity for early correction (company-wide internal controls: information and communication). In addition, the Company's internal control system designed to ensure comprehensive collection of material risk information to reflect them in the consolidated financial statements was not properly organized (internal controls over the Company's accounting and financial closing processes.).

Furthermore, with regard to the third line of defense, there were some Group companies for which monitoring by the Company's Corporate Administration & Internal Audit Department was not sufficient, and the internal auditing system for managing each Group company as a group was not sufficiently established. This was also the case in the FIR Issue.

(6) Vulnerability of the Group company management system

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

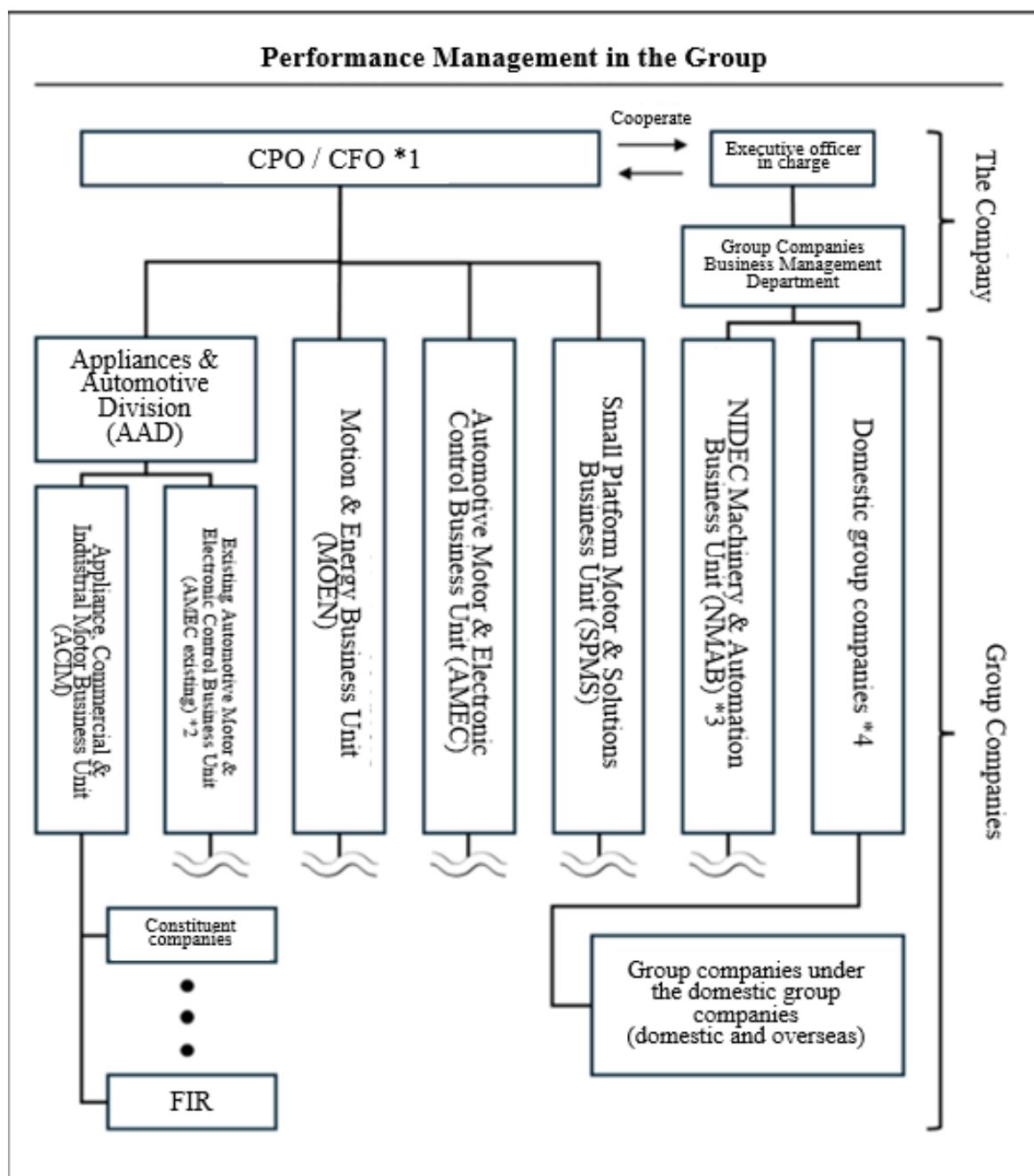
- The Group company management system does not keep up with the number of Group companies.
- Performance management takes precedence over integration work for acquired companies.

Based on these points, we analyze that the “vulnerability of the Group company management system” was a cause of this Issue as follows.

We have expanded our business through a number of M&As in Japan and overseas. However, the management system after the acquisition was different depending on the circumstances, such as who in the group was in charge of the acquisition and whether the acquired company was in Japan or overseas, and there was no unified management system.

In particular, the Group Companies Business Management Department has been in charge of the management of domestic acquisitions (domestic Group companies), including performance management. On the other hand, overseas acquisitions by domestic Group companies have been

managed by the domestic Group companies, while acquisitions of companies handled by our Business Unit, whether in Japan or overseas, have been directly managed by the relevant Business Unit. As a result, the Group was not able to establish a standard Group management system because the divisions in charge of management were different depending on the acquired company and the level and method of management were left to the divisions in charge. In the Group, the CPO/CFO of the Company manages the performance of the Appliances & Automotive Division (hereinafter referred to as “AAD”), MOEN, Automotive Motor & Electronic Control Business Unit (hereinafter referred to as “AMEC”), and Small Platform Motor & Solutions Business Unit (hereinafter referred to as “SPMS”) and the Group Companies Business Management Department manages the performance of Machinery & Automation Business Unit (hereinafter referred to as “NMAB”) and each domestic Group company as shown below.



* 1: CPO (Chief Performance Officer), CFO (Chief Financial Officer)

* 2: Existing Automotive Motor & Control Business Unit (AMEC existing) and its constituent companies directly reported their performance to the Company until October 2024.

* 3: NMAB is a Business Unit that unites group companies in Japan and overseas, including Nidec Drive Technology Corporation, Nidec Machine Tool Corporation, Nidec OKK Corporation, Takisawa Machine Tool Co., Ltd., and PAMA S. p. A. As the Company used to be a member of the group companies in Japan, its performance continued to be managed by the Group Companies Business Management Department even after the establishment of

NMAB.

* 4: Domestic Group companies refer to Nidec Advanced Technology Corporation, Nidec Advanced Motor Corporation, Nidec Instruments Corporation, Nidec Global Service Corporation, Nidec Components Corporation, Nidec Techno Motor Corporation, Nidec Powertrain Systems Corporation, Nidec Precision Corporation, and Nidec Mobility Corporation, and performance is managed by the Group Companies Business Management Department.

Moreover, the Company has placed emphasis on enabling the management and employees of the acquired companies to build a self-reliant management structure that allows them to continue to operate independently after the acquisition. As a result, the number of executive officers and other personnel dispatched from the Company to the companies that became group companies following the acquisition to integrate corporate functions was limited to a minimum. In particular, since the acquisition of the Motors & Controls Division (currently Nidec Motor Corporation) from Emerson Electric Co., which was the starting point for the establishment of Appliance, Commercial & Industrial Motors Business Unit (currently ACIM and MOEN), the Company has left it to the independent management of the Business Units, which have functions overseas. Furthermore, in addition to performance management, the Company's top management, including its former representative, regularly visited the acquired company locations to discuss management methods and grasp the Group's business. The Company did not take sufficient measures to manage acquired companies' business and management systems as a Group. As was the case with the acquisition of Motors & Controls Division, the group companies were managed without sufficient control from the Company's corporate division. As a result, the group companies expanded without a sufficient system for managing the acquired companies on the Company's side, and the result was that the Company lacked human resources that could take on management functions other than performance management.

2 Improvement measures to prevent recurrence

I. Improvement measures and status of the FIR Issue

In the FIR Issue, in terms of material risk information, there was an inadequacy regarding our company-wide internal control related to information and communication and internal control over accounting and financial closing processes. Thus, recurrence prevention measures were formulated as follows and are being implemented sequentially.

(1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority

(i) Sending a clear message from the Company's Board of Directors to Nidec Group employees

On September 26, 2025, the Board of Directors of the Company sent out a clear message on a strict attitude toward compliance violation and making regulatory compliance centered on quick response policies the top priority. In addition, the President of the Company sent out continuous definitive messages to executives around the world: in business, make it the top priority to thoroughly spread the corporate culture of making regulatory compliance the top priority; and ensure that all executives and other employees of the company act proactively, based on high ethical standards and integrity.

(ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, appropriate disciplinary actions will be taken, and the details will be disclosed to our employees to thoroughly communicate the necessity of prioritizing compliance above all else.

(iii) Strengthening our Legal & Compliance Department's functions

To address whistle-blowing reports and investigations, a Chief Legal Officer (CLO) was newly appointed on July 1, 2025, and in-house attorneys were newly appointed at the General Manager level on October 1, 2025, in our Legal & Compliance Department to establish a system to address cases utilizing legal and compliance expertise.

Improvement measure	Nurturing awareness and a corporate culture that make regulatory compliance the top priority
Department in charge	(i) Board of Directors (ii) Human Resources Department (iii) Compliance Department

Regulations subject to maintenance	<ul style="list-style-type: none"> (i) - (ii) - (iii) Organization chart
Completion date of maintenance	<ul style="list-style-type: none"> (i) Clear message from the Company's Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations (iii) Strengthening our Legal & Compliance Department's functions: October 2025
Start date of operation	<ul style="list-style-type: none"> (i) Clear message from the Company's Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations (iii) Strengthening our Legal & Compliance Department's functions: October 2025
Methods of raising awareness	<ul style="list-style-type: none"> (i) E-mails and company portal (ii) Internal notice (iii) Internal notice
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(2) Strengthening organizations and systems

(i) Strengthening the trade compliance system

As part of the Group's global trade management system, the Trade Management Office has been established under the Legal & Compliance Department and has been responsible for collecting information on global trade management, disseminating and sharing information to related parties, and providing guidance to the Company and Group companies on necessary matters related to global trade management.

In addition, in areas other than the Company's jurisdiction, specifically ACIM and NAHC, separate trade compliance officers have been appointed in each respective jurisdiction.

However, the overall control function of the Trade Management Office was not functioning sufficiently, the division of roles between each jurisdiction was unclear, and information sharing was insufficient.

Accordingly, on December 1, 2025, the Company appointed a customs specialist (who used to work for the World Customs Organization (WCO)) as the Head of the Trade Compliance Office (reorganized from Trade Management Office) of the Company, and established a Global Trade Strategy Team consisting of specialists and experts who will supervise the progress of the trade regulation field. In addition, the Legal Department of NAHC, which has several experts in United States customs, took the lead in managing all trade procedures in the United States in an integrated manner, and has been granted Group-wide authority over trade compliance in the United States.

(ii) Strengthening the global compliance system

In addition to establishing an office of Chief Legal Officer (CLO) and assigning a person with specialized knowledge and experience, we have assigned a compliance specialist in North America. Since October 2025, bi-weekly meetings have been held by the Company's Legal & Compliance Department with Group Regional Compliance Officers to share information on the status of investigations of reported cases and issues in significant regions, in an effort to share risk information and improve responsiveness.

Improvement measure	Strengthening organizations and systems
Department in charge	(i) Trade Compliance Office (ii) Compliance Department
Regulations subject to maintenance	(i) Basic Regulations on Global Trade Management (ii) -
Completion date of maintenance	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Start date of operation	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) At least once a year (ii) Bi-weekly
Monitoring status	(i) Activity reports to the Global Trade Management Committee

	(ii) Activity reports to CLO/CCO
Cause item number (reference)	(6)

(3) Improvement of procedures, regulations and mechanisms

(i) Improvement of the Group's reporting system

In the FIR Issue, there was a delay in information communication. In order to prevent a similar delay in information communication in the future, the following will be stipulated in the regulations.

- (i) When Regional Legal and Compliance Officers and the Legal & Compliance Department have identified material risk information, they will report such information directly to the Company's Chief Compliance Officer (CCO)
- (ii) If a regional Legal or Compliance Officer becomes aware of any act that violates laws and regulations or act that may violate laws and regulations, report the same to the Company's Legal & Compliance Department.

(ii) Information sharing among the Company group's Legal & Compliance Departments

We will establish regular information-sharing sessions with overseas legal and compliance officers and share such information among key members within the Company's Legal & Compliance Department. Specifically, the Legal & Compliance Department will receive monthly risk information reports on litigation cases from each regional legal affairs personnel and share them within the Legal & Compliance Department.

(iii) Properly organizing the internal control system

In the past, quarterly inquiries from the accounting department to the Legal & Compliance Department on risk information were made only at the Company. We will expand this to a global basis and introduce a process to check whether the material risk information identified by the accounting department is comprehensive. It assumed that the risk information handled by the Legal & Compliance Department includes information on litigation cases and whistle-blowing reports. Regarding the risk information on litigation cases that are reported monthly to the Legal & Compliance Department by regional legal affairs personnel as described in (ii) above, we have

established a browsable database and implemented risk analysis to share such information with the accounting department. Regarding information related to whistle-blowing, we are working to share such information after deleting or editing information that could lead to the identification of the whistle-blower and limiting the people who have access rights.

Improvement measure	Improvement of procedures, regulations and mechanisms
Department in charge	(i) Risk Management Office (ii) Legal Department (iii) Accounting and Tax department / Compliance department / Legal department
Regulations subject to maintenance	(i) NIDEC Group Compliance Regulations (ii) - (iii) -
Completion date of maintenance	(i) Improvement of the Group's reporting system: February 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: December 2025 (iii) Properly organizing the internal control system: December 2025
Start date of operation	(i) Improvement of the Group's reporting system: March 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: January 2026 (iii) Properly organizing the internal control system: January 2026
Methods of raising awareness	(i) Internal notice (ii) - (iii) -
Frequency of implementation	(i) - (ii) Monthly (iii) Quarterly
Monitoring status	(i) - (ii) - (iii) Confirmed in internal audits
Cause item number (reference)	(5)

(4) Improvement measures at FIR

FIR, where the FIR Issue occurred, will formulate and sequentially implement the following recurrence prevention measures in addition to the above-mentioned improvement measures for the entire Group (in particular, thorough awareness that make regulatory compliance the top

priority as in (1) (i) and (ii) above and integrated management by NAHC of trade procedures related to the United States as in (2) (i) above).

(i) Systematic training and education system

In the past, we did not have a systematic training and education system in place. In order to ensure that all employees are aware of the need to comply with U.S. customs laws, we will commission lawyers specializing in U.S. customs to continuously conduct specialized trainings on trade compliance.

(ii) Internal control over country of origin declarations

As FIR did not have adequate internal control in place for determining country of origin declarations pertaining to exports to the United States, we will develop and operate such internal control.

Improvement measure	Improvement measures at FIR
Department in charge	(i) Trade Compliance Office (ii) Corporate Administration & Internal Audit Department
Regulations subject to maintenance	(i) - (ii) -
Completion date of maintenance	(i) Systematic training and education system: January 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: March 2026
Start date of operation	(i) Systematic training and education system: February 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: April 2026
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) At least once a year (including companies other than FIR) (ii) -
Monitoring status	(i) Confirmation of participants (ii) SOX evaluation by the AAD Internal Control Office
Cause item number (reference)	(5)

(5) Disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, responsibilities will be clarified as described in II (17) below, and appropriate disciplinary actions will be implemented.

II. Improvement measures based on suspected improper accounting practices

The Company believes this Issue may have been caused by a combination of the six structural and complex factors mentioned in 1 above. Based on these causes, measures have been formulated from the following perspectives.

[Planning and performance management]

We will review the process for formulating the medium-term management plan and the business plan for the next fiscal year, each Business Unit and domestic Group company will take the initiative in formulating plans based on its own characteristics and environment, rather than top-down target setting. We will change the process so organizational decisions are made after verifying the plan in cooperation with each Business Unit and domestic Group company. Budget vs. actual performance management has been changed to business management based on financial accounting figures that do not involve business divisions' judgment. If there is a change due to external circumstances or internal factors, we will consider not only the room for recovery but also interim reviews. In addition, the performance evaluation criteria will include not only financial indicators that are biased toward the amount of the operating profit, but also non-financial indicators that include targets that contribute to the growth of the company in the medium to long term. By establishing evaluation criteria for Vice Presidents and employees based on this, we will create a system in which short-term targets are not the only targets.

[Accounting functions and accounting policies]

In order to ensure that the accounting function is independent of the business divisions, the accounting function and the business management function, which is responsible for monitoring the implementation of management strategies, will be separated, and the responsibility for the accounting function of Business Units and domestic Group companies and personnel will be transferred to the Company's accounting function. On top of that, we will raise awareness of the second defense line by continuously conducting learning programs and education to

increase awareness of the accounting function. Furthermore, we will revise the Group Accounting Policy and expand it to all group companies.

[Corporate culture]

Reform of the corporate culture is required of all levels of management, executives, and employees, and we will thoroughly implement improvement actions from all perspectives. We will establish a new organization (Culture Transformation Lab) to promote the transformation of our corporate culture. We will build a system to convey employees' opinions to management and reflect them in our policies. In this way, we will foster a corporate culture in which employees can express their opinions and raise issues frankly. In addition, we will raise awareness of compliance as a major prerequisite for business activities by enhancing compliance education at each level. Moreover, we will reform our corporate culture from the HR system side by clarifying that employee human resources will be evaluated based on results that lead to the future (structures, processes, and strengthening the HR system) and correct behavior.

[Governance]

To strengthen corporate governance, the Company will clearly establish opportunities to discuss and report to the Board of Directors on the medium-term management plan, the business plan, and the progress of each, and strengthen the supervisory function by developing a system to share important risk information. In order to improve the effectiveness of the Audit and Supervisory Committee, we will strengthen the reporting of internal auditing results and the exchange of opinions with the Vice Presidents and newly implement the exchange of opinions through three-way auditing. In addition, we will clarify the requirements for the composition of the Board of Directors and make the Board of Directors lineup capable of exercising the supervisory function from a broader perspective. Regarding the Vice Presidents, the Company will review the nomination criteria for qualification and review remuneration evaluation criteria from a medium- to long-term perspective to correct the short-term profit-first mentality.

[Internal audits, whistle-blowing, and disciplinary actions]

Regarding internal audits, in addition to reports to the President, regular reports are made to the Audit and Supervisory Committee, and timely reports are made to the Audit and Supervisory Committee on risks that need to be addressed from the perspective of Group governance, including three-way audits, in order to strengthen the third defense line. In addition, we will

expand the scope of audits, which were previously limited to operational audits and internal controls in the accounting area, and examine the governance of the entire Group from a broader perspective. We will also objectively examine whether whistle-blowing systems are functioning properly and enhance their effectiveness.

In addition, by improving whistle-blowing systems and strengthening systems for responding to reports, we will create an environment in which those obliged to report do not hesitate to do so. We will also work to tighten disciplinary standards for compliance violation and make the process of their implementation transparent.

(1) Reorganization of the medium-term management plan formulation process

As described in 1 (1) above, the Company was believed to have fallen into an excessive tendency to place top priority on its share price. In order to recover its share price, the Company presented a vision of its future growth potential with a strong awareness of exceeding market expectations. In the formulation of the medium-term management plan, the Company set profit targets and operating profit ratios based on this vision in a top-down manner. Combined with a corporate culture that places top priority on short-term profits and on the intention of the former representative, the Company assigned each Business Unit and domestic Group company their profit targets, and these became the basis for the business plan formulation. Profit targets set in this way were sometimes perceived as difficult to achieve by the assignees, based on the actual business environment, etc., and there was a gap between certain members of the management of the Company and the management of each Business Unit and domestic Group company regarding the rationality and feasibility of the Company's plans and targets. In light of these circumstances, we will implement the following measures.

(i) Redefinition and clarification of rules for formulating the medium-term management plan

Each Business Unit and domestic Group company will formulate plans based on an appropriate understanding of the characteristics and business environment of each operation under the direction of company-wide management, rather than setting uniform top-down targets. In addition, the Company aims to strengthen competitiveness and achieve business growth from a medium- to long-term perspective without placing too much emphasis on short-term profits. In order to clearly indicate strategies with concrete effectiveness, such as research & development, the Company will redefine and clarify rules to increase the feasibility of the medium-term

management plan to achieve growth. This includes the formulation and verification of plans by Business Units and domestic Group companies in cooperation with not only the CFO and CMO (Chief Marketing Officer), but also with the CDO (Chief Digital Officer) and CTO (Chief Technology Officer), who are officers and employees responsible for cross-organizational functions of the entire Group.

(ii) Establishment of a team structure for examining the medium-term management plan

We will make it clear that managers in each Business Unit and domestic Group company are responsible not for achieving top-down targets but for formulating and implementing their own medium-term management plans. In addition, we will build a team structure to support such managers and ensure that each Business Unit and domestic Group company formulates a plan after sufficient discussion by the team. At the same time, the Company's secretariat organized in accordance with regulations and officers and employees who are responsible for cross-organizational functions of the entire Group will work together with the teams of each Business Unit and domestic Group company and personnel in charge to confirm figures, analyze factors, and verify and discuss strategies and measures. This makes it clear that the Company is responsible for verifying and approving the plans of each Business Unit and domestic Group company and allocating resources and monitoring them while each Business Unit and domestic Group company is responsible for formulating its own plans.

(iii) Strengthening the medium-term management plan formulation process

First, the management direction of the entire company, which is positioned at the top of the medium-term management plan, is determined. Then, based on this direction, the teams responsible for the performance of each Business Unit and domestic Group company conduct sufficient strategic discussions to elaborate a reasonable medium-term management plan that is worth taking on the challenge. Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. After these measures are put in place, in order to formulate an effective medium-term management plan based on business strategies in accordance with the defined rules, in fiscal 2026, we will review the plan for up to fiscal 2027 that has already been formulated and formulate a plan for fiscal 2028 and beyond.

Improvement measure	Reorganization of the medium-term management plan formulation process
Department in charge	Office of the President
Regulations subject to maintenance	Medium-term Management Plan Formulation Regulations or Guidelines
Completion date of maintenance	<ul style="list-style-type: none"> (i) Redefinition and clarification of rules for formulating the medium-term management plan: June 2026 (ii) Establishment of a team structure for examining the medium-term management plan: June 2026 (iii) Strengthening the medium-term management plan formulation process: June 2026
Start date of operation	<ul style="list-style-type: none"> (i) Redefinition and clarification of rules for formulating the medium-term management plan: July 2026 (ii) Establishment of a team structure for examining the medium-term management plan: July 2026 (iii) Strengthening the medium-term management plan formulation process: July 2026
Methods of raising awareness	Explain the regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

(2) Reorganization of the business plan formulation process (next fiscal year: 2026)

As mentioned in (1) above, due to excessive emphasis on the Company's share price, there is a gap between certain members of the Company's management and the management of Business Units and domestic Group companies regarding the rationality and feasibility of the Company's plans and targets. As this has been causing severe pressure to achieve the targets, the Company will implement the following measures.

(i) Redefining the rules for business plan formulation

Each Business Unit and domestic Group company will not formulate business plans based on top-down targets. Instead, in accordance with the medium-term management plan formulation process, business plans for the following fiscal year will be formulated as action plans

incorporating specific measures, based on strategies and figures verified and formulated in consideration of the characteristics of each Business Unit and changes in market conditions, as well as recent changes in external environments and internal resources.

For example, there are businesses for which the sales plan for the next fiscal year can be largely forecasted based on the order backlog at the end of the current fiscal year, and businesses for which the sales plan for the next fiscal year changes significantly depending on the monthly market conditions and net sales of customers' products. When formulating a business plan for the next fiscal year, we will focus on considering these differences in business characteristics.

We will also establish a rule to clearly state the analysis of external environments such as market fluctuations and competition conditions, growth based on new product plans and market development activity plans, and invested resources (investment plans, research & development plans, and personnel) at the time of plan formulation and incorporate such information into the business plan.

Through these improvements, we will enhance the rationality and feasibility of our plans and shift to a plan formulation method that can better fulfill our accountability to stakeholders. Changes to a plan during the fiscal year shall be made through reasonable discussions after confirming environmental changes and the effectiveness of strategies and measures.

(ii) Building a team structure for reviewing business plans and strengthening processes

As in the formulation of the medium-term management plan, each Business Unit and domestic Group company will clarify the person in charge for formulating a business plan, establish a team structure to support the person in charge, and formulate a business plan after sufficient discussion by the team. At the same time, Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. With regard to the business plan for fiscal 2026, we have already begun formulating an action plan that incorporates specific measures in light of recent changes in the external environment and internal resources. In addition, the initiatives described in (2) to (4) are being developed as Business Plan Management Regulations. Furthermore, the formulation of the medium-term management plan process, which forms the basis of business plans, will begin in July 2026 and will be implemented from the business plan for fiscal 2027.

Improvement measure	Reorganization of the business plan formulation process (next fiscal year fiscal 2026)
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business plan management regulations or guidelines
Completion date of maintenance	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and strengthening processes: March 2026
Start date of operation	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and strengthening of processes: March 2026
Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

(3) Optimization of the budget vs. actual performance management process

The Company has conducted excessive micro-management related to the budget vs. actual performance management based on targets and plans that have a gap in recognition of rationality and feasibility between certain members of the Company's management and the management of each Business Unit and domestic Group company. As a result, severe pressure has been generated at each level, and a corporate culture has been created in which short-term profits are prioritized and not allowing target shortfall. Therefore, the Company will implement the following measures related to the budget vs. actual performance management.

(i) Change in performance management values in budget vs. actual performance management

At the end of September 2025, we abolished the management system and the performance review meeting, which report monthly forecast values involving the judgment of the business divisions on a daily basis, and shifted to a system that focuses on examining business operations from the following month onward. In the future, we will develop a business management based on financial accounting figures that do not involve the judgment of business divisions, namely the system that shifts to business performance judgment centered on monthly financial performance values through consolidated adjustments (simplified consolidation) to the extent necessary for business

management rather than uncertain monthly expected values. In addition to the estimates for the current month, we will assess the status of the current quarter, the next quarter, and the fiscal year, which have not been reasonably verified and reported until now. However, the purpose is not to give instructions to achieve the targets, but to assess the business situation, make accurate management decisions for the future, and utilize them to improve business performance in cooperation with officers and employees who are responsible for the Company's horizontal functions.

(ii) Analysis of results, consideration of measures, and improvement of accuracy of next business plan

In the past, when there was a gap between monthly results and the annual plan, revisions were made by adding the amount of shortfall to the planned values for the following month or quarters, or reallocating the planned values among Business Units or domestic Group companies. Necessary corrections to the planned values were not made properly following analyzing the reasons for the shortfall and validating the measures for improvement.

In the future, each Business Unit and domestic Group company will analyze the reasons for the shortfall and examine whether the discrepancy is caused by changes in the external environment or changes in internal factors. In addition to examining the scope for recovery in the Business Units and domestic Group companies, we will also review the plan itself during the fiscal year and consider feasible measures such as the optimization of the portfolio by allocating resources to other business areas. In addition, necessary revisions will be reflected in the formulation of the next business plan based on actual results and the external environment. As a result, the Company's management and the management of the Business Units and domestic Group companies will have a common understanding and operate businesses to increase the rationality and feasibility of the plan.

Improvement measure	Optimization of the budget vs. actual performance management process
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business plan management regulations or guidelines
Completion date of maintenance	(i) Change in performance management values in the budget vs. actual performance management: March 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: March 2026

Start date of operation	(i) Change in performance management values in the budget vs. actual performance management: April 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: April 2026
Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

(4) Review of performance evaluation criteria

The Company's corporate culture of prioritizing short-term profits permeated the items of performance evaluation and management targets, and performance evaluation was conducted with an emphasis on the achievement ratio to the target operating profit. We believe that these performance evaluation criteria have created severe pressure and further strengthened the awareness of prioritizing short-term profits. Therefore, we will implement the following measures regarding performance evaluation criteria.

(i) Review of numerical items

In order to improve the quality of management, we will change our current performance evaluation criteria, which are biased toward the amount of operating profit, to multi-faceted evaluation criteria that include cash flows and balance sheets. This discourages overly severe pressure to achieve profit targets.

(ii) Addition of non-financial evaluation items

With regard to financial indicators, the target achievement ratio will be the main performance evaluation criterion, and performance evaluation criteria will also be established for non-financial indicators such as processes. In this regard, if the degree of achievement becomes the performance evaluation criteria, there is a possibility that the motivation may lean towards lowering the plan itself, so we will also consider the degree of challenge of the plan. By revising these performance evaluation criteria, we will prevent excessive pressure to achieve short-term profit targets and shift to a management system that contributes to medium- to long term corporate growth.

Improvement	Review of performance evaluation criteria
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measure	
Department in charge	Office of the President
Regulations subject to maintenance	Business Plan Management Regulations or Guidelines
Completion date of maintenance	(i) Review of numerical items: March 2026 (ii) Addition of non-financial evaluation items: March 2026
Start date of operation	(i) Review of numerical items: April 2026 (ii) Addition of non-financial evaluation items: April 2026
Methods of raising awareness	Explain the regulations and communicate with each Business Unit and domestic Group company to promote understanding.
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)(2)

(5) Ensuring the independence of the accounting function from the business divisions

(i) Ensuring the independence of the accounting function

In the Group, when the accounting department prepares the financial figures, the business divisions may consult with the accounting department about an accounting method that contributes to the achievement of the target profits within the allowable range of the accounting standard, which gives the accounting department as well as the business divisions an incentive to consider arbitrary accounting practices. In principle, the accounting department is independent from the business divisions and supposed to conduct accounting practices in accordance with the Group Accounting Policy (NIdec global Accounting Policy manual) (a Group Accounting Policy that was established as regulations with the introduction of IFRS in 2017 and is being developed and implemented throughout the group companies, hereinafter referred to as “NIAP”). However, as a result many accounting departments and business divisions coordinated to achieve profit targets, the accounting department may have been influenced by the business divisions, and may have expanded the interpretation of the NIAP in a manner that conforms to the wishes of the business divisions, or may have allowed accounting practices that deviate from the NIAP. Therefore, the effectiveness of the second defense line may not have been secured.

In light of these issues, in order to prevent the occurrence of improper accounting practices, we will place top priority on conducting proper accounting practices by ensuring that the accounting

function is independent from the business divisions. Specifically, under the executive officer in charge of accounting of the Company, the accounting function will be divided into the accounting function responsible for appropriate accounting closing and the business management function responsible for monitoring the implementation of management strategies. The accounting function of the Business Unit and domestic Group companies will be under the control of the accounting function of the Company, and the executive officer in charge of accounting will also have personnel authority. In this way, we will eliminate the structure in which many of the Group's accounting departments and business divisions coordinate to achieve profit targets.

(ii) Securing accounting resources

Currently, there are 43 members in the Company's Accounting and Tax Department, which is responsible for the accounting function (including 14 from the Consolidated Accounting Group), and 14 members in the Corporate Management Department, which is responsible for the business management function. Although we now have more than 300 Group companies as a result of active M&As, we have not increased the number of employees in the accounting function correspondingly. In addition, with the high turnover rate of mid-level accounting employees, mainly caused by long working hours due to increased workload during peak seasons and anxiety over future careers, we have not successfully recruited high-quality replacement human resources in a timely manner to keep pace with such turnover, resulting in a chronic shortage of accounting personnel in terms of quantity and quality. To respond to this, we will strengthen the personnel resources of the Consolidated Accounting Group of the Accounting and Tax Department in particular. Specifically, we will increase the number of employees in the Consolidated Accounting Group by about five to six people through personnel relocation including Business Units and domestic Group companies. This will strengthen the Company's control over Business Units and domestic Group companies and ensure high-quality accounting closing. In addition, we will abolish excessively early disclosure of financial results to ensure the quality of financial closing, and give priority to ensuring sufficient time for review or check.

However, for the time being, personnel will be devoted to implementing improvement measures, responding to investigations by third-party committee and internal investigations, and responding to the current accounting and financial closing. Therefore, we will strengthen our personnel resources by engaging external experts and recruiting additions to the Company, and gradually promote in-house appointments and self-reliance based on the development of the accounting human resources under the guidance of the external experts over about one to two years.

At the same time, we will implement measures to consolidate and streamline the accounting operations over one to two years. Specifically, we will implement reforms in accounting processes, including the upgrade of existing systems and the introduction of new EPM tools. At the same time, we will consider the adoption of a shared services model and outsourcing, and reduce the overall burden of administrative functions associated with the decrease in the number of group companies due to group reorganization.

In addition, in response to future career concerns, we will present career paths for accounting staffs and work to prevent mid-career turnover by implementing measures such as job rotation based on future careers and reassignment through open recruitment.

(iii) Awareness raising and education on accounting

In addition to reviewing the organizational structure to differentiate functions, we recognize that it is most important to raise awareness of the accounting departments of the Company, Business Units and domestic Group companies as an independent second defense line with specialized accounting expertise in order to conduct appropriate accounting and financial closing. By continuously implementing training to raise awareness of the accounting department, we aim to raise the awareness of the accounting department members of the Company, Business Units and domestic Group companies so that they can inspire each other and take pride in their work.

In addition, based on this Issue, we will conduct educational training for all departments beyond the accounting department, including awareness-raising for the prevention of recurrence, and thoroughly disseminate the information.

Specifically, for example, we will use e-learning and such content as a level-specific training, anew hire training for mid-career recruits, and a continuous training, and expand it within the Group.

(iv) Strengthening accounting governance

We are aware of the problem that the check function for all group companies, numbering more than 300, was not sufficient. Based on the experience of the accounting voluntary inspection, we are building relationships for efficient and effective communication among the Company, Business Units, domestic Group companies and their subsidiaries. We will certainly implement measures such as the development of the NIAP in the future.

Improvement measure	Ensuring the independence of the accounting function from the business divisions
Department in charge	Accounting and Tax Department, Corporate Management Department, Human Resources Department
Regulations subject to maintenance	Division of Duties Regulations, Accounting Regulations, Human Resource Development Regulations, Affiliated Company Management Regulations
Completion date of maintenance	(i) Ensuring the independence of the accounting function: March 2026 (ii) Securing accounting resources: March 2026 (iii) Awareness raising and education on accounting: March 2026 (iv) Strengthening accounting governance: April 2026
Start date of operation	(i) Ensuring the independence of the accounting function: April 2026 (ii) Securing accounting resources: April 2026 (iii) Awareness raising and education on accounting: April 2026 (iv) Strengthening accounting governance: May 2026
Methods of raising awareness	Establishment or change of regulations, internal notification, company portal
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (reference)	(4)(5)(6)

(6) Clarification of accounting policies and proper operation

(i) Revision of the Group Accounting Policy and abolition of request for exception

At the Company, the NIAP, which is the Group Accounting Policy, includes rules and definitions in accordance with IFRS, as well as some guidelines and exceptions for certain accounting treatments. However, because it does not sufficiently describe specific judgment criteria based on business characteristics, there was room for one to interpret the NIAP more broadly or in a way that deviates from the NIAP. Specifically, there was a mechanism for applying to the accounting department to have the selected accounting policy approved (hereinafter referred to as “request for exception”) for an accounting treatment that cannot be uniquely determined only from the description in the NIAP. In response to this situation, improvements have been made, such as integrating the approval process for request for exception into the approval of the executive officer in charge of accounting at the Company. However, in the past, there were cases where a request for exception itself was omitted and accounting was handled according to accounting policies without approval of the executive officer in charge of accounting at the Company. There were also cases where a request for exception was raised immediately before or after the accounting and financial

closing. There were also cases where individual accounting rules were established as notices but were not reflected in the NIAP. In this way, in the past, individual response related to accounting practices became the norm, and the operation of the NIAP and notifications was not actually working.

In addition, although the NIAP has been applied to group companies acquired through M&As, there is a possibility that it has not been sufficiently spread, and the review and correction of the reporting package (a report form entered by each company to collect financial information in the consolidated accounting system) may also have been insufficient due to the pressure to disclose financial results excessively early amid the chronic shortage of accounting personnel.

In light of these issues, we will first collect and analyze the problems based on this Issue and review the NIAP itself by clarifying rules and definitions. In addition, we will reflect in the NIAP the rules necessary for making specific decisions in accordance with the actual business situation, and abolish request for exception, which had been a factor in making the NIAP ineffective.

(ii) Development of Group Accounting Policy

We will ensure that all group companies, including those acquired through M&As, are fully aware of the NIAP. Specifically, the revised NIAP will be shared with all Business Units and domestic Group companies via notices and will also be posted on NIAPO (Nidec Accounting PORTal), the intranet used by the members of the accounting department of the Company.

In addition, we will continue to provide guidance on the strict application of the NIAP when issuing notices to Business Units and domestic Group companies on topics of quarterly financial results and points of attention in financial results.

(iii) Declaration of compliance with Group Accounting Policy

In view of the possibility that the review and correction of the reporting package were insufficient, we will introduce a system in which before submitting the reporting package, a checklist will be created and used for the accounting issues identified by the accounting department of the Company based on the results of the self-assessment of accounting in this Issue, and the accounting staff and managers of the Business Units and domestic Group companies will declare to compliance with the NIAP.

(iv) Review of Business Units and domestic Group companies

We will strengthen the supervision of the accounting departments of Business Units and domestic Group companies by having the accounting department of the Company regularly review whether

the accounts of each Group company are properly settled. In practice, we plan to efficiently implement the review, including setting the unit of review as the unit of Business Unit or the unit of sub-consolidation (reporting by entering the consolidated financial statements of the subsidiary group in the reporting package). The review of each Group company will be categorized based on the significance of the company size and the actual condition of this Issue, and subsequently the timing, frequency, and depth of procedures will be determined.

Improvement measure	Clarification of accounting policies and proper operation
Department in charge	Accounting and Tax Department, Human Resources Department
Regulations subject to maintenance	Accounting Regulations
Completion date of maintenance	(i) Review of the Group Accounting Policy and abolition of request for exception: June 2026 (Abolition of request for exception: March 2026) (ii) Development of Group Accounting Policy: June 2026 (iii) Declaration of compliance with Group Accounting Policy: June 2026 (iv) Review of Business units and domestic Group companies: August 2026
Start date of operation	(i) Review of the Group Accounting Policy and abolition of request for exception: July 2026 (Abolition of request for exception: April 2026) (ii) Development of Group Accounting Policy: July 2026 (iii) Declaration of compliance with Group Accounting Policy: July 2026 (iv) Review of Business Units and domestic Group companies: September 2026
Methods of raising awareness	Company portal, global meetings, visits/explanations to group companies
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (reference)	(4)(5)(6)

(7) Reform of the corporate culture

In the background of this Issue and the trade transactions issues and customs duties and withholding income tax issues was a corporate culture that placed top priority on short-term profits and did not allow target shortfall. As a result, it is believed that it was difficult to raise the voice that compliance should be emphasized and to report frankly that it was difficult to achieve the targets.

In response to this Issue, on September 16, 2025, after the establishment of the third-party committee, the President sent out a message, in which he stated that “the idea of making regulatory compliance the top priority is indispensable” and that “I will do the right thing together and with the same feelings with our employees” and requested employees to speak up. Furthermore, on November 19 of the same year, the President again sent out a message to all employees, in which he said, “I will be the main character who thinks and acts independently to make the Company a place where employees can work comfortably and have pride.” He also mentioned that he would like employees to consult with executive officers, indicating the President's stance of continuously calling for the expression of opinions by employees. At the same time, we collected a wide range of opinions, including those from domestic Group companies, at meetings that have been held in the past between representatives of labor unions and other employee organizations of the Company and the domestic Group companies and the Human Resources Department of the Company.

In the future, it is necessary not to limit these efforts to temporary responses, but to build a system to receive opinions on an ongoing basis and to ensure that they lead to concrete measures and actions. Therefore, the following measures will be implemented.

Establishing a new organization to promote corporate culture reform

In the past, measures related to corporate culture reform and the collection of employee opinions were consolidated through Shinbokukai (the Company's employee representative organization), and the Human Resources Department was in charge of coordinating with related departments and submitting proposals to management. However, there was a situation in which decisions were made without going through an appropriate review process, before sufficient clarification of issues or consideration with related departments, in response to opinions from employees. For example, the employment and evaluation systems were considered the exclusive rights of certain executives, and there was a silent understanding of this within the Human Resources Department. As a result, there were cases in which, in the opinion of an employee, even if such a review was proposed, it was determined that there was a high possibility that it would not ultimately be accepted by management, leading to a behavior of refraining from making proposals or escalation itself. In addition, there were cases in which proposals for the expansion of employee welfare programs and the development of a comfortable working environment were rejected by the relevant department heads and others and could not be escalated as measures that would increase costs and put pressure on

business performance were not approved. In this way, there was a situation in which there was not enough consideration and reporting to fulfill the opinions of employees.

These issues were not caused by the response attitude of a specific department. In addition to the fact that the division of roles and the framework for decision-making regarding the handling of employee opinions were not sufficiently institutionalized, it is considered that the factor was the “culture of not being able to speak up,” which tends to give priority to the intention of superiors and refrain from expressing opinions. Therefore, in order to strategically and flexibly promote corporate culture reform and improve the transparency and speed of the decision-making process, in February 2026, a new organization, Culture Transformation Lab, will be established directly under the control of the Chief Human Resource Officer (CHRO). The new organization will be headed by a person who has been responsible for product development and human resources at a Group company and the President of Shinbokukai, who is also relatively junior, will serve as a full-time team leader. By establishing the new organization, we will ensure that the opinions of employees are conveyed to management, and build a system to obtain prompt decision-making, reflect them in policies, and implement measures continuously and stably.

Improvement measure	Reform of the corporate culture
Department in charge	Culture Transformation Lab
Regulations subject to maintenance	Regulations on Division of Duties
Completion date of maintenance	Establishment of a new organization to promote corporate culture reform: February 2026
Start date of operation	Establishment of a new organization to promote corporate culture reform: February 2026
Methods of raising awareness	Publication on company intranet and website
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(8) Enhancement of compliance education

Under severe pressure, it seems that within the Company a corporate culture in which some officers and employees give excessive instructions to group companies to achieve profit targets, and officers and employees of group companies, etc. who repeatedly receive such instructions give top priority to achieving short-term profit targets has been nurtured. Therefore, it is important to foster an awareness that compliance is a major prerequisite for business activities and is the top priority. The Company will implement the following measures.

(i) Enhancement of compliance education for new hires and regular learning program

In the past, when new employees joined the Company, emphasis was placed on education regarding the Company's thinking toward corporate growth and the Company's unique manners required for performing internal work. In addition, although face-to-face compliance learning program was conducted when new graduates joined the Company, in the learning program for new managers, only listening to materials in which audio was inserted into PowerPoint materials was conducted. In addition, compliance learning program itself was not conducted for mid-career recruits.

Therefore, since January 2026, we have been providing face-to-face or online compliance learning program for mid-career employees who join the Company every month. In addition, we will conduct face-to-face or online compliance learning program in the learning program for new management in fiscal 2026.

Learning program content includes communication of messages from the Board of Directors and the President, and explanations of Nidec Group's global compliance system, regulations, and systems (including anti-bribery, whistle-blowing systems, and trade management), introducing past examples of improprieties within the Nidec Group (inappropriate accounting, harassment, etc.), and future initiatives such as corporate culture reform. The aim is to deepen understanding of Nidec's compliance system, etc., and to foster an awareness of compliance as a personal matter in order to avoid committing a compliance violation or causing anyone else to do so.

In addition, for Vice Presidents of the Company and executive officers of the domestic Group companies, we will make use of the gathering learning program held around February every year to disseminate and thoroughly implement compliance so as to foster an awareness of compliance as the top priority. In the FY2025 collective learning program (scheduled to be held on February 10, 2026), we plan to conduct a compliance learning program based on the FIR Issue by experts in international trade law and customs law who were commissioned to investigate the FIR Issue.

(ii) Dissemination of this issue

We will inform our employees of the background, causes, lessons learned, etc. of this issue, and conduct compliance education based on this incident.

Improvement measure	Enhancement of compliance education
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Enhancement of compliance education for new hires and regular learning program: March 2026 (ii) Dissemination of this issue: Reflected after receipt of the third-party committee report
Start date of operation	(i) Enhancement of compliance education for new hire and regular learning program: April 2026 (ii) Dissemination of this issue: Reflected after receipt of the third-party committee report
Methods of raising awareness	(i) Company intranet (ii) Compliance training based on this issue
Frequency of implementation	(i) Enhancement of compliance education for new hires and regular learning program: Regular learning program at least once a year (ii) Dissemination of this issue: Included in the aforementioned learning program upon joining the Company and regular learning program
Monitoring status	-
Cause item number (reference)	(2)

(9) Review of personnel evaluation system

In 2020, we revised our personnel evaluation system for employees with the aim of creating a strong company and organization with a thorough focus on actual capabilities and results and a constant sense of tension. Before the revision, the “Performance Evaluation,” which evaluates the degree of achievement (results) toward individual goals, and the “Nidec Way Behavior Evaluation,” which evaluates the degree of implementation of expected behavior based on the Nidec Way Code of Conduct, were separate evaluation items. However, they have been integrated into a “Comprehensive Evaluation,” which comprehensively evaluates the degree of contribution to the organization. As a result, the system has been changed to evaluate the contribution to the organization's performance more, even with the same degree of achievement. In addition, the

Company has made it mandatory to assign high and low ratings within strict regulations on relative evaluations, and has set a maximum fivefold difference in the amount of bonuses between high- and low-rated employees at the general manager level. Similar systems have been introduced in stages at Japanese subsidiaries in the Nidec Group. Furthermore, while the Company repeatedly shared the message that “those who make profits are the most appreciated,” there was insufficient learning program regarding the personnel evaluation system for evaluators, and due to lack of understanding of the personnel evaluation system by evaluators, the Company fell into a situation where it was not being operated appropriately. As a result, the Company believes that the corporate culture of prioritizing short-term profits has been strengthened, and the awareness of overemphasizing business performance has been promoted.

Therefore, we will implement the following measures from the perspective of the personnel evaluation system, with the aim of correcting the awareness of prioritizing short-term profits and instilling an awareness and corporate culture of always prioritizing “what is right.”

(i) Setting targets other than performance, and thorough evaluation

We will add evaluation items from a compliance perspective to the current evaluation items “short-term results,” “results that lead to the future (structures and processes),” and “results that lead to the future (strengthening of human resources),” and thoroughly set targets to take correct actions from a compliance point of view.

Regarding human resources evaluations, we will gradually review the current system that promotes short-term results based on strict regulations on relative evaluations and wide disparities in compensation. We will improve the systems to promote long-term organizational growth and human resources development, in addition to achieving short-term goals.

(ii) Implementation of measures to improve understanding of the system

In order to promote understanding of the human resources evaluation system, the Company has revised the handbook that organizes evaluation perspectives and target-setting methods. To ensure the proper operation of human resources evaluations, the Company has established a learning program, including a target-setting learning program, for evaluators and those being evaluated.

In order to continuously check whether human resources evaluations are conducted appropriately, the Company will establish a monitoring mechanism using questionnaires, etc.

Based on the results, the Company will consider and implement improvements to the systems and operation methods as necessary.

In addition, based on the evaluation results, if a compliance violation or unethical behavior is revealed, the Company will implement measures, such as using the information as a basis for making decisions on the assignment and promotion of the relevant employees, provide educational training opportunities for the relevant employees and review the relevant HR system.

Improvement measure	Review of human resources evaluation system
Department in charge	Human Resources Department
Regulations subject to maintenance	Human Resources Evaluation Rules
Completion date of maintenance	(i) Setting targets other than performance, and thorough evaluation: March 2026 (ii) Implementation of measures to improve understanding of the system: March 2026
Start date of operation	(i) Setting targets other than performance, and thorough evaluation: April 2026 (ii) Implementation of measures to improve understanding of the system: April 2026
Methods of raising awareness	Internal notice and human resources evaluation learning program
Frequency of implementation	(i) - (ii) Twice a year: before evaluation (April and October)
Monitoring status	Checked by Human Resources Department based on evaluation results
Cause item number (reference)	(2)

(10) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee

At the Company, the senior managers surrounding the former representative overestimated the authority of the former representative, and there were cases in which risk information was not sufficiently communicated to the Board of Directors in favor of the former representative's intention in important decision making, and there were situations where the supervisory bodies such as the Board of Directors were adversely affected. Since April 2024, in addition to promoting decentralization and delegation of authority from the former representative to the President, outside

directors have been leading deliberations as the Chairperson of the Nominating Committee and the Remuneration Committee, excluding the former representative. In light of the fact that the former representative retired in December 2025 and became Honorary Chairman, the Company's Rules of Administrative Authority stipulate that the Honorary Chairman shall “carry out activities that contribute to the transmission of the Founding Spirit and the enhancement of the Nidec Group's enterprise value in response to requests from the Board of Directors or the Vice Presidents,” and he shall not be involved in management. Since his retirement, the former representative has not attended any of the meetings in the Group, and the President has assumed the position of Chairman of the Board of Directors.

In addition, it was confirmed that the progress of the business plan and material risk information were not sufficiently reported to the Board of Directors and the Audit and Supervisory Committee. Furthermore, in outside directors as well, academic experts and former government officials play a central role, and there is room to adopt a composition that allows consideration from a more diversified perspective with a background of diverse expertise, including those with experience in management of listed companies and accounting experts. As described above, it is difficult to say that the checks and balances by the Board of Directors and the Audit and Supervisory Committee were fully functioning, and the Company was in a situation where its governance was weak. In light of this, the Company will implement the following measures.

(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets

Although the Board of Directors' Regulations stipulate the “compilation of annual business plans” as a matter to be submitted to the Board of Directors, in fact, there were cases where business plans were not submitted to the Board of Directors at the time of formulation. As a result, the Board of Directors was unable to confirm or discuss the appropriateness of the target setting.

In the future, when formulating a business plan, the Board of Directors will ask the President and other senior executives to report on the process of setting targets and the feasibility of achieving the targets, and will thoroughly discuss the appropriateness of the target setting. In addition, the Board of Directors will regularly follow up on the progress of the business plan and discuss the necessity of revising the targets.

To be more specific, we plan to formulate a “Board of Directors Deliberation Schedule” with the approval of the Board of Directors, which includes deliberations for the formulation of the

business plan and follow-up of the progress of the plan, and to hold deliberations on the business plan at the Board of Directors in accordance with the schedule.

(ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions

The Regulations of the Board of Directors do not clearly specify the requirement that material risk information reported to the Board of Directors include misconduct or compliance violation, with the exception of “important business lawsuits” and “important business disputes.” Material risk information was not sufficiently reported to the Board of Directors, and as a result, it was not sufficiently deliberated. For example, the Risk Management Committee and the Compliance Committee report to the Board of Directors once a year. However, these reports only provide a general overview of the Group's policies and activities, and there has been no discussion on specific risk information.

In the future, we will clearly define the definition of material risk information that should be reported to the Board of Directors and the criteria for determining the necessity of reporting. In addition, we will establish a system to ensure that material risk information is reported to the Board of Directors by stipulating in the Board of Directors’ Regulation that if a material risk information that should be reported to the Board of Directors is detected in the risk information grasped by the Risk Management Committee, the Compliance Committee, and the Chief Compliance Officer (CCO), the relevant material risk information will be reported to the Board of Directors.

(iii) Improving the effectiveness of the Audit and Supervisory Committee

With regard to the provision of information from the Corporate Administration & Internal Audit Department to the Audit and Supervisory Committee, only reports on the results of internal audits concerning J-SOX (once a year) and reports on important matters (such as reports on the results of special investigations ordered individually) were made on a case-by-case basis. In addition, regular meetings were held with the accounting auditor, including reviews of the results of annual audits. While communication between the Audit and Supervisory Committee and Corporate Administration & Internal Audit Department and between Corporate Administration & Internal Audit Department and the accounting auditor was taking place, there was not sufficient regular communication among the Audit and Supervisory Committee,

Corporate Administration & Internal Audit Department, and the accounting auditor, where all three parties were present.

In the future, the Corporate Administration & Internal Audit Department will regularly report to the Audit and Supervisory Committee on the results of internal audits (details of audits, summary of results, major findings, etc.) (twice a year), and the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and accounting auditor will hold regular meetings to exchange opinions (twice a year) for the purpose of sharing control issues, etc. In addition, as part of the Audit and Supervisory Committee audits (operational audits), we will strengthen the exchange of opinions with the Members of the Board of Directors and Vice Presidents, and expand opportunities for the Audit and Supervisory Committee to understand operational risks.

(iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors

Previously, the outside directors of the Company were composed of academic experts, former government officials and lawyers, and were not selected from among those with experience in management of listed companies or accounting experts. In this regard, in order to better understand the risks associated with setting targets that are difficult to achieve and the risks of accounting fraud, it is desirable to appoint an outside director with diverse expertise, including those with management experience and accounting experts. In addition, no director in charge of administration had been assigned among the Internal Members of the Board of Directors, and there is a possibility that it was not possible to raise the issue sufficiently from the risk management side.

In the future, we will clarify the requirements for the composition of the Board of Directors and promote the selection of candidates based on the requirements in order to make the Board of Directors capable of exercising the supervisory function from a wider perspective. Requirements for the composition of the Board of Directors include, in the case of an outside director, consideration of the appointment of professionals with diverse expertise, including those with experience in management of listed companies or accounting experts, etc., and in the case of an internal director, consideration of the appointment of a Vice President in charge of administration, for example, a CFO, etc., to the Board of Directors.

Improvement measure	Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee
Department in charge	General Affairs Department, Sustainability Promotion Department, Corporate Administration & Internal Audit Department

Regulations subject to maintenance	The Board of Directors' Regulations, Risk Management Regulations, Crisis Management Regulations, Internal Auditing Regulations, etc.
Completion date of maintenance	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: March 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: April 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: June 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: June 2026
Start date of operation	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: April 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: May 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: July 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: July 2026
Methods of raising awareness	Revisions to the Regulations, etc. are disseminated through internal notices, communication within each division by the managers of the relevant divisions, and a message from top management. Changes in the operation of the Board of Directors are reported to the Board of Directors.
Frequency of implementation	-
Monitoring status	Operation was confirmed in the evaluation of the effectiveness of the Board of Directors and the Audit and Supervisory Committee.
Cause item number (reference)	(1)(2)(3)(4)

(11) Review of the criteria for Vice President nominations and strengthening of their effectiveness

In addition to realizing a transformation of corporate culture that places top priority on short-term profits and does not allow targets to be missed, as well as excessive stock price supremacy to continue to show growth, in order to improve the effectiveness of the Board of Directors' oversight as described in (10) above, it is important to secure the eligibility of Vice Presidents who can execute the core role of business execution under the Board of Directors' supervision. In addition, in order to strengthen the group governance structure, it is also necessary to ensure the suitability of the Executive General Managers of AAD, MOEN, AMEC, SPMS, and NMAB, who directly report to the President of the Company (hereinafter referred to as the "Global

Executives”) and the CEOs of domestic Group companies. Based on these, we will implement the following measures.

(i) Review of selection criteria and formulation of dismissal criteria

In the past, in addition to the selection criteria for Vice Presidents that were disclosed to the public, the Company also used some selection criteria (such as the embodiment of the Nidec Way, which indicates the code of conduct for employees, past performance and experience) that are not disclosed to outside parties. However, all of them were qualitative criteria based on past performance, and the criteria for dismissal were not specified. In addition, with regard to the selection criteria for Vice Presidents, excluding Presidents, the perspective of compliance was not clearly defined, and more emphasis was placed on past performance and experience. Furthermore, the scope of application of these selection criteria was limited to the Vice President that entered into a contract of commission with the Company, and no selection criteria common to the Nidec Group had been established.

Accordingly, selection criteria for Vice Presidents will be updated to the selection criteria applied globally and uniformly to the Company's Global Executives and the CEOs of domestic Group companies. To be more specific, the Company will incorporate the viewpoints of ethics and compliance, establishment and strengthening of the company-wide corporate governance system, medium- to long-term management strategies, and strengthening of the organization and human resources into the selection criteria, and expand the scope of application to include the Company's Global Executives and the CEOs of domestic Group companies. In addition, we will establish criteria for the dismissal of a Vice President, so that dismissal can be deliberated in the event of an occurrence that does not satisfy the selection criteria or violates the Group's corporate ethics or laws.

(ii) Improving the effectiveness of the Vice President selection process

At present, when holding the Nominating Committee meeting to nominate the Vice President of the Company, the Company provides prior explanations of the candidates to the participants of the Nominating Committee. However, the information on the candidates was limited to information such as their careers, and there was a lack of information to fully understand and verify their suitability. In addition, the scope of deliberations by the Nominating Committee was limited to the Company's Board of Directors and a part of the Vice Presidents (President, the Executive Vice Presidents, etc.), and the Nominating Committee only received a report on the appointment of the Company's other Vice Presidents. Moreover, the selection of CEOs of domestic Group companies

was carried out by the process of each company, and the effectiveness of the selection process for the entire Nidec Group was not sufficiently ensured.

Accordingly, in the future, in addition to establishing new selection criteria, the Company will share with the Nomination Committee in advance diversified information on candidates for nomination, such as internal information and the results of external assessments. In addition, the Company will ensure transparency and objectivity in the evaluation process by the Nominating Committee by increasing opportunities for interviews and interaction with nominated candidates from the early stage of Vice President selection. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that the Vice President selection process is transparent and consistent as a whole by having the Nominating Committee check the selection of Global Executives and the Company's Human Resources Department check the selection of CEOs of domestic Group companies based on globally unified selection criteria.

Improvement measure	Review of the criteria for Vice President nominations and strengthening of their effectiveness
Department in charge	Human Resources Department
Regulations subject to maintenance	Nominating Committee Regulations and Vice President Regulations
Completion date of maintenance	(i) Review of selection criteria and formulation of dismissal criteria: May 2026 (ii) Improvement of effectiveness of Vice President selection process: May 2026
Start date of operation	(i) Review of selection criteria and formulation of dismissal criteria: June 2026 (ii) Improvement of effectiveness of Vice President selection process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of implementation	(i) At least once a year: When the Vice President system is renewed or when an issue emerged that requires consideration of appointing or dismissing a new Vice President. (ii) At least once a year: Provide information necessary for Vice President selection deliberations as needed
Monitoring status	(i) At least once a year, the Nomination Committee checks the appropriateness of whether candidates have been selected based on the selection criteria. (ii) The effectiveness of the Nominating Committee is confirmed through an annual effectiveness evaluation of the Board of Directors
Cause item number (reference)	(4)

(12) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process

Within the Company, the message that “those who make profits are the most highly evaluated” has been repeatedly shared in addition, evaluation criteria for executive remuneration emphasize single-year performance. As a result, a corporate culture that places top priority on achieving short-term performance has been fostered. In order to rectify the above, the Company will implement the following measures for executive remuneration for the Company's Vice Presidents and Global Executives, and the CEOs of domestic Group companies.

(i) Review of evaluation criteria for executive remuneration

Under the current executive remuneration system, short-term incentives (STIs) are based on single-year sales, single-year profits, and individual evaluations, and long-term incentives (LTIs) are also based mainly on single-year sales, single-year profits, and ESG-related external evaluations. As a result, non-financial factors such as medium- to long term perspectives, compliance, and overall optimization are not fully reflected in executive remuneration evaluations, resulting in a noticeable bias toward short-term performance.

Therefore, we will redesign the evaluation criteria for executive remuneration and formulate new evaluation criteria for executive remuneration that reflect medium- to long term perspectives, overall optimization, compliance, and other non-financial elements, to raise awareness of processes and medium- to long term perspectives. We will also ensure the consistency of the remuneration system across the Nidec Group by globally unifying and extending the application of the evaluation criteria for executive remuneration.

(ii) Issues and measures to improve the effectiveness of the remuneration determination process

In the past, the Company's Remuneration Committee did not provide necessary information to the Remuneration Committee members, and remuneration decisions were made as a formal approval process without being able to conduct in-depth deliberations. In addition, the scope of Remuneration Committee's deliberations was limited to the Company's directors and Vice Presidents, and group-wide transparency and controls over executive remuneration were insufficient

Therefore, in order to make the remuneration determination process more transparent and to enhance the effectiveness of the controls on the remuneration determination process, we will

establish a mechanism to strengthen the involvement of Remuneration Committee members (outside directors). We will improve the quality of discussions in the Remuneration Committee by providing timely and appropriate information, such as the status of the companies and market trends necessary for remuneration decisions, to Remuneration Committee members, and by creating environments in which Remuneration Committee members who have received such information can independently ask questions and make decisions. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that executive remuneration decisions are transparent and consistent across the entire Nidec Group by confirming whether remuneration decisions are made based on the newly formulated globally unified remuneration evaluation criteria, and by having the Remuneration Committee checking the appropriateness of remuneration for Global Executives and the Company's Human Resources Department checking the appropriateness of remuneration for the CEOs of major domestic Group companies.

Improvement measure	Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process
Department in charge	Human Resources Department
Regulations subject to maintenance	Executive Remuneration Regulations
Completion date of maintenance	(i) Review of evaluation criteria for executive remuneration: May 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: May 2026
Start date of operation	(i) Review of evaluation criteria for executive remuneration: June 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of implementation	(i) At least once a year: when the remuneration of Vice Presidents is decided (ii) At least once a year: Provide information necessary for Vice President selection deliberations as needed
Monitoring status	(i) At least once a year, the Remuneration Committee confirms the appropriateness of executive remuneration amounts and the determination process based on the remuneration evaluation criteria. (ii) The effectiveness of the Remuneration Committee is confirmed through an annual effectiveness evaluation of the Board of Directors.
Cause item number (reference)	(2)

(13) Strengthening the internal audit system

The Group consists of more than 300 companies, and many of them are not adequately monitored by our internal audits. Specifically, the number of corporations subject to annual internal audits has not been sufficient, and even for those subject to internal audits, the necessary responses to the risks they face have not been implemented thoroughly enough. As a result, the internal audit system for managing each corporation as a group was not sufficiently established.

The Company's Corporate Administration & Internal Audit Department consists of the Internal Control Group, which evaluates internal controls over financial reporting, and the Internal Audit Group, which audits operational activities in the accounting area. The Internal Control Group of the Company has 16 members, and the Internal Audit Group has 12 members. The Internal Audit Group formulates and drafts audit plans based on the criteria for selecting corporations subject to internal audits each year. The selection criteria include the presence or absence of important issues, the scale of sales, an absence of long-term management changes, significant changes to the nature of the business, and an absence of prior internal audits. The Company determines the corporations that are subject to internal audits by comprehensively considering these criteria. As a result, approximately 60 Group companies are selected for internal audits every year, for which the Company holds prior review meetings with the head of the Corporate Administration & Internal Audit Department to confirm the key areas for audits, and then conduct audits of operational activities in the accounting area.

In the past, although the Internal Control Group had reported to the Audit and Supervisory Committee on the evaluation results of internal controls over financial reporting once a year, the Internal Audit Group had only reported to the President and not to the Audit and Supervisory Committee other than on irregular important matters, such as those that the Audit and Supervisory Committee had instructed the Internal Audit Group to investigate. As a result, the necessary risk information had not been submitted to the Audit and Supervisory Committee, and the necessary response to the risks were not sufficiently made and instructions to the Corporate Administration & Internal Audit Department were not sufficiently given from the perspective of group governance.

As the Company's internal audit function has not been executed adequately, the Company will implement the following measures to strengthen the internal audit system.

(i) Strengthening independence through cooperation with the Audit and Supervisory Committee

In the past, the results of internal audits were reported only to the President, except for occasional reports of important matters to the Audit and Supervisory Committee. In the future, the results of internal audits will be regularly reported to the Audit and Supervisory Committee in addition to the President. To be specific, as described in (10) (iii) above, the Company will create opportunities for the Audit and Supervisory Committee and the Corporate Administration & Internal Audit Department responsible for internal audits to collaborate on information on a regular basis by requiring reports to the Audit and Supervisory Committee at least once every six months. Furthermore, as described in (10) (iii) above, the Company will improve the audit function through three-way audits by holding liaison meetings with the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and the external accounting auditor once every six months. Through these measures, the risks that need to be addressed from the perspective of group governance will be reported to the Audit and Supervisory Committee in a timely manner. By establishing a system that enables the Audit and Supervisory Committee to promptly and appropriately consider countermeasures for these risks and issue instructions to the Corporate Administration & Internal Audit Department, the Company will strengthen the third defense line, which is expected to serve as a monitoring function.

In addition, in order to make such a reporting system more effective, the Audit and Supervisory Committee will have control over part of the personnel authority, strengthening the independence of the Corporate Administration & Internal Audit Department. Specifically, the prior consent of the Audit and Supervisory Committee will be required for the recruitment, transfer or evaluation of the head of the Corporate Administration & Internal Audit Department.

(ii) Increase the number of companies subject to internal audits and improve audit quality

As previously there have been an insufficient number of internal auditors, the Company will increase the number of internal auditors through new hiring and reassignment, increase the number of companies subject to audit every year, and build an internal audit system capable of conducting sufficient internal audits. In concrete terms, we plan to increase the number of personnel in the Internal Audit Group of the Company from the current 12 to 20-30, including outside experts.

In addition, the planning and management group will be newly established in the Corporate Administration & Internal Audit Department to enhance the sophistication of internal audits

and strengthen the management of audit quality. This will increase the number of companies subject to internal audits and improve the audit quality.

Furthermore, we will expand the scope of audit, which was previously limited to operational audits and internal controls in the accounting area, and examine the governance of the entire Group from a broader perspective. The Corporate Administration & Internal Audit Department will maintain its position as an independent “third line” and will not directly intervene in the business execution process, but will objectively verify whether the autonomous monitoring activities conducted by each business management division (the second line) are functioning appropriately (monitoring of monitoring). To be more specific, the Company will consider measures including monitoring the operation of the whistle-blowing system (Hotline).

Improvement measure	Strengthening the internal audit system
Department in charge	Corporate Administration & Internal Audit Department
Regulations subject to maintenance	The Audit and Supervisory Committee Rules and Internal Audit Rules
Completion date of maintenance	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: June 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: June 2026
Start date of operation	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: July 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: July 2026
Methods of raising awareness	Internal notice
Frequency of implementation	-
Monitoring status	Confirmation of improvement status in the Audit and Supervisory Committee
Cause item number (reference)	(5)(6)

(14) Improvement of whistle-blowing system

In light of the fact that a corporate culture that prioritizes short-term profits has been developed within the Company and that the Group company management system has vulnerabilities, the Company will improve and strengthen the whistle-blowing system through the following measures.

This will build an effective bypass route to prevent those obliged to report from hesitating to, delaying or failing to report through the normal reporting line.

(i) Review of the whistle-blowing system and dissemination to employees

The Company reviewed its compliance-related regulations with the aim of improving the effectiveness of its whistle-blowing system. The regulations were designed to ensure its credibility among employees from the viewpoint of protecting informants. In addition, the Company has imposed reporting obligations on all officers and employees regarding suspicions of compliance violations and clarified the possibility of imposing disciplinary actions on those who violate such obligations. In addition, along with the combination of the messages from the President and learning program, we will redistribute posters related to whistle-blowing systems that should be posted by each company and instruct them to post them again.

(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status

In addition to the contact points shared with the Company, some domestic Group companies and Group companies under the domestic Group companies have their own whistle-blowing contact points and various consultation points. Therefore, the Company will monitor the status of domestic Group companies and Group companies under the domestic Group companies own contact points and conduct interviews on their operation. In the future, the Company will check the status of reporting and progress of investigations at domestic Group companies and group companies under the domestic Group companies. In this way, information on reported cases at each Group company is regularly collected at the head office.

Improvement measure	Improvement of whistle-blowing system
Department in charge	Compliance Department
Regulations subject to maintenance	NIDEC Group Compliance Regulations
Completion date of maintenance	(i) Improvement of whistle-blowing system: December 2025 (ii) Understanding the status of operation of the group companies' own contact points and confirmation of group companies' response status: March 2026
Start date of operation	(i) Improvement of whistle-blowing system: December 2025 (ii) Understanding the status of operation of the group companies' own contact points and confirmation of group companies' response status: April 2026
Methods of raising	Internal notifications and e-mails

awareness	
Frequency of implementation	-
Monitoring status	(i) - (ii) Collect the list of reported cases from each company in the head office once a quarter.
Cause item number (reference)	(2)(6)

(15) Strengthening the reporting system

The Company has established Group contact points and third party contact points that can be used by all the Members of the Board of Directors, Vice President and employees, and whistle-blowing contact points operated by outside contractors that can be used mainly by the Members of the Board of Directors, Vice President and employees in Europe and the United States. Whistle-blowing regional compliance officers in Japan, the Americas, China, Europe, and Southeast Asia receive reports through these contact points, and investigate and rectify issues in cooperation with our Compliance Department. However, due to the lack of resources and expertise in the investigation system, investigations related to compliance violations became insufficient, and there was a shared recognition among Group company employees that responses to whistle-blowing were not adequate, which is considered to have contributed to the creation of a climate of silence. The following measures will be taken to strengthen the system for responding to reports.

(i) Preparation of a manual for personnel in charge of responding to reports

A manual will be prepared to be used by personnel in charge of investigations after receiving whistle-blowing report. More specifically, in addition to describing the legal requirements, we will document the work content and procedures on the detection of issues, clarification of facts, and correction, which are useful for personnel in charge as information that contributes to the practice of conducting investigations. In addition to the training provided by the Compliance Department at the Head Office, training will be provided to Regional Compliance Officers and to compliance officers and promoters assigned to each corporate entity to improve investigation work in our entire group.

(ii) Expansion of the investigation system

In order to prevent a situation in which a sufficient investigation cannot be conducted in a timely manner due to limited investigation response resources or expertise within the Company and the group companies, the Company will establish a system that enables thorough fact-finding and correction by partnering with external legal firms with expertise in investigations.

Improvement measure	Strengthening the Reporting System
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Preparation of a manual for personnel in charge of responding to reports: March 2026 (ii) Expansion of the investigation system: April 2026
Start date of operation	(i) Preparation of a manual for personnel in charge of responding to reports: March 2026 (ii) Expansion of the investigation system: April 2026
Methods of raising awareness	E-mail, departmental education
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(16) Stricter disciplinary measures

At present, some of the disciplinary standards in the Disciplinary Code are unclear or lack strictness, which may undermine the consistency of decisions on disciplinary actions. In addition, the operational process has become unclear, such as the prior consultation before the Disciplinary Committee meeting. In addition, the insufficient disclosure of the results of disciplinary actions resulted in a decline in compliance awareness and creation of perception that reporting itself is meaningless because reporting ultimately leads to no disciplinary action. As a result, it is believed that this has contributed to the creation of a climate in which employees are unable to speak out. Therefore, the following measures will be implemented to tighten disciplinary actions.

Tightening disciplinary standards and operational processes

By clarifying the relationship between disciplinary content and actions for the Company and its group companies in Japan, we will be able to make consistent decisions regarding disciplinary actions. We will also change to a more transparent operational process, including tightening some disciplinary standards and banning prior consultation. Regarding these measures, we will provide guidance via e-mails in addition to the company portal and hold explanatory meetings at our bases and group companies to ensure that everyone is aware of them.

Following this, the Company and domestic Group companies will share information on the content and results of disciplinary actions and work to raise awareness of the prevention of recurrence.

In addition, learning program sessions are held once a year for Vice President and managerial staff in the Group on the theme of disciplinary cases that have occurred, in an effort to further foster compliance awareness.

Improvement measure	Stricter disciplinary measures
Department in charge	Personnel department
Regulations subject to maintenance	Disciplinary Regulations, Work Regulations, Vice President Regulations
Completion date of maintenance	Tightening disciplinary standards and operational processes: April 2026
Start date of operation	Tightening disciplinary standards and operational processes: May 2026
Methods of raising awareness	Company portal, emails, explanatory meetings at our bases and group companies, compliance learning program for Vice President and management
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(17) Clarification of responsibility

The Company believes that it is essential to clarify where responsibility lies in light of this Issue, trade transactions issues and customs duties and withholding income tax issues that have arisen. Based on the results of the investigation by the third-party committee, the Company will closely examine relevant facts and clarify where responsibility lies. For those who are found to be responsible, we will take appropriate measures and report responses transparently both inside and outside the Company to strengthen governance and ensure compliance.

3 Implementation schedule for improvement measures

→: Consideration and maintenance, ⇒: Implementation and operation

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
I. Improvement measures and status of the FIR Issue										
(1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority										
(i) Sending a clear message from the Company's Board of Directors to Nidec Group employees	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions	Implement after receiving investigation results by the third-party committee and other internal investigation results									
(iii) Strengthening our Legal & Compliance Department's functions	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(2) Strengthening organizations and systems										
(i) Strengthening the trade compliance systems	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Strengthening the global compliance system	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(3) Improvement of procedures, regulations and mechanisms										
(i) Improvement of the Group's reporting system	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Information sharing among the Company group's Legal & Compliance Departments	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Properly organizing the internal control system	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(4) Improvement measures at FIR										
(i) Systematic training and education system	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Internal control over country of origin declarations	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(5) Disciplinary actions	Implement after receiving investigation results by the third-party committee and other internal investigation results									
II. Improvement measures based on suspected improper accounting practices										
(1) Reorganization of the medium-term management plan formulation process										
(i) Redefinition and clarification of rules for formulating the medium-term management plan	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(ii) Establishment of a team structure for examining the medium-term management plan	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iii) Strengthening the medium-term management plan formulation process	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(2) Reorganization of the business plan formulation process (next fiscal year: 2026)										

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
(i) Redefining the rules for business plan formulation	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Building a team structure for reviewing business plans and strengthening processes	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(3) Optimization of the budget vs. actual performance management process										
(i) Change in performance management values in budget vs. actual performance management	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Analysis of results, consideration of measures, and improvement of accuracy of next business plan	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(4) Review of performance evaluation criteria										
(i) Review of numerical items	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Addition of non-financial evaluation items	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(5) Ensuring the independence of the accounting function from the business divisions										
(i) Ensuring the independence of the accounting function	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Securing accounting resources	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Awareness raising and education on accounting	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iv) Strengthening accounting governance	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(6) Clarification of accounting policies and proper operation										
(i) Revision of the Group Accounting Policy and abolition of request for exception	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(ii) Development of Group Accounting Policy	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iii) Declaration of compliance with Group Accounting Policy	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iv) Review of Business Units and domestic Group companies	→	→	→	→	→	→	→	→	⇒	⇒
(7) Reform of the corporate culture										
Establishing a new organization to promote corporate culture reform	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(8) Enhancement of compliance education										
(i) Enhancement of compliance education for new hires and regular learning program	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Dissemination of this issue	Implement after receiving investigation results by the third-party committee									
(9) Review of personnel evaluation system										
(i) Setting targets other than performance, and thorough evaluation	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Implementation of measures to improve	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
understanding of the system										
(10) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee										
(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions	→	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Improving the effectiveness of the Audit and Supervisory Committee	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(11) Review of the criteria for Vice President nominations and strengthening of their effectiveness										
(i) Review of selection criteria and formulation of dismissal criteria	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(ii) Improving the effectiveness of the Vice President selection process	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(12) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process										
(i) Review of evaluation criteria for executive remuneration	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(ii) Issues and measures to improve the effectiveness of the remuneration determination process	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(13) Strengthening the internal audit system										
(i) Strengthening independence through cooperation with the Audit and Supervisory Committee	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(ii) Increase the number of companies subject to internal audits and improve audit quality	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(14) Improvement of whistle-blowing system										
(i) Review of the whistle-blowing system and dissemination to employees	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(15) Strengthening the reporting system										
(i) Preparation of a manual for personnel in charge of responding to reports	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Expansion of the investigation system	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(16) Stricter disciplinary measures										
Tightening disciplinary standards and operational processes	→	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒

Improvement measures	2026								
	Before January	February	March	April	May	June	July	August	September October
(17) Clarification of responsibility	Implement after receiving investigation results by the third-party committee and other internal investigation results								

Part 4 Recognition of the impact of inappropriate information disclosure on investors and the securities market

As described in the “Notice Regarding Establishment of Third-Party Committee” dated September 3, 2025, the Company and its group companies discovered multiple materials that raised suspicions of improper accounting. Therefore, the Company requested objective investigations by the third-party committee independent of the Company, in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations. Although the investigation by third-party committee is currently ongoing, in order to regain trust as soon as possible, the Company established the Nidec Corporate Reform Committee on October 30, 2025, and we have launched initiatives to reform our corporate governance and organizational culture to reform ourselves as a company that can put “what is right” first and foremost with high ethical standards.