

Transformation toward Nidec Reform

1. New Management Structure Toward Reform
2. Address from New President ・ Financial Highlights
3. Financial Results for Prior Years (Restated)
4. Financial Results for the Fiscal Year Ended March 2026
5. Financial Forecast for the Fiscal Year Ending March 2027

October 1, 2026
Nidec Corporation

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Disclaimer

These presentation materials and the related discussions contain forward-looking statements including expectations, estimates, projections, plans and strategies. Such forward-looking statements are based on management's targets, assumptions and beliefs in light of the information currently available. Certain risks, uncertainties and other factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in customer circumstances and demand, exchange rate fluctuations, and the Nidec Group's ability to design, develop, mass produce and win acceptance of its products and to acquire and successfully integrate companies with complementary technologies and product lines. Please see other disclosure documents filed or published by the Nidec Group companies, including the Japanese securities report, for additional information regarding such risks and uncertainties. Nidec undertakes no obligation to update the forward-looking statements unless required by law.

In the Third-party Committee's Investigation Report, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in Nidec and Nidec Group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, Nidec decided that it was necessary to retroactively restate misstatements associated with the improper accounting practices and other practices, including corrections of errors related to matters that were not corrected from the viewpoint of materiality in previous years and matters that were additionally identified in the course of the investigation. In addition, Nidec has corrected misstatements in the consolidated financial statements and related documents for this fiscal year.

If material misstatements that should be corrected are identified in the financial statements for the previous years and this fiscal year, those material misstatements will be made corrections appropriately, including corrections to the financial statements for the previous years and this fiscal year. Therefore, this financial information may also be revised.

1

1

1. New Management Structure Toward Reform

2

Further strengthening transformation for revitalization under the new President and Representative Director appointed on September 29, 2026.



【Profile of the New Representative Director】

New Position: Representative Director, Senior Vice President
(Chief Compliance Officer and Chief Human Resources Officer)

Name: Masayuki Minai

Professional Experience:

Professional Experience:	
Apr 1991	Joined Toyota Motor Corporation
Sep 2022	General Manager, Human Resources Department
Jul 2024	Joined Toshiba Lifestyle Products & Services Corporation as General Manager, Human Resources and Administration Department
Jan 2025	Joined Nidec Corporation as Executive Consultant
Apr 2025	Vice President, Chief Compliance Officer (incumbent), and Chief Human Resources Officer (incumbent)
Apr 2025	Vice President, Chief Compliance Officer (incumbent), and Chief Human Resources Officer (incumbent)
Apr 2026	Senior Vice President
Jun 2026	Director and Senior Vice President (incumbent)

3

2. Address from New President • Financial Highlights

4

Background



Corrected improper accounting practices and submitted restated financial statements for prior years, along with the delayed FY2025 Annual Securities Report

- | | | |
|------|-----------------|--|
| 2025 | ● Sep 3 | Establishment of Third-Party Committee |
| | ● Sep 26 | Submission of Securities Report for the 52nd Fiscal Year (Ended March 31, 2025)
Received Audit Report with Disclaimer of Opinion |
| | ● Nov 14 | Submission of Semi-Annual Securities Report for the 53rd Fiscal Year (Ended March 31, 2026)
Received Review Report with Disclaimer of Review Conclusion |
| 2026 | ● Apr 17 | Receipt of Investigation Report by the Third-Party Committee (final version) |
| | ● Jun 30 | Extension of filing deadline for Annual Securities Report for the 53rd Fiscal Year (Ended March 31, 2026) |
| | ● Sep 30 | Submission of Securities Report for the 53rd Fiscal Year (Ended March 31, 2026)
Received Audit Report with Disclaimer of Opinion |

| 5

5

Financial Results Overview for FY2025



- Clarifying business portfolio strategy under the mid-term business plan
- Facing issues head-on, strictly reassessed the viability and profitability of our businesses, recording an impairment loss of 632.1 billion yen, primarily in business segments categorized in 'Product Portfolio Optimization' and 'Business Restructuring'.

Net Sales

2,708.7 billion yen

Operating Profit

-519.0 billion yen

Equity Ratio

25.6 %

Total impairment losses	632.1 billion yen
(Major impairment losses)	
ACIM	298.8 billion yen
Nidec-PSA emotors	116.2 billion yen
Nidec Mobility	73.1 billion yen

| 6

6

Financial Results Overview for FY2025



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- Facing issues head-on, strictly reassessed the viability and profitability of our businesses, recording an impairment loss of 632.1 billion yen, primarily in business segments categorized in 'Product Portfolio Optimization' and 'Business Restructuring'.

Net Sales

2,708.7 billion yen

Operating Profit

-519.0 billion yen

Equity Ratio

25.6 %

Free Cash Flow*

98.0 billion yen

Cash generation capability remains robust

| 7

7

Factors Leading to Impairment



Internal environment (conventional management approach)

- Pursue motor business expansion with an omnidirectional approach.
- Apply uniform performance management and compare identical KPIs across all businesses.
- Emphasize short-term performance, prioritizing revenue over asset efficiency.

Repeated growth-oriented business planning and investment to show continued growth, resulted in delays in the appropriate evaluation of business performance

External environment (customers, market, competitors)

Automotive

- Faced amplified price-reduction pressure on components due to slowing EV adoption and accelerating SDV development.
- Encountered intensifying competition with rival component manufacturers.

Home appliances

- Confronted market contraction and intense competition post-COVID-19.

Experienced declining profitability from commoditization-driven price drops and slowing growth.

Continuing investment in unreasonable competition

Incur impairment losses from accumulated excessive capital investments

Scrutinize actual performance and outlook to implement necessary impairments, using this financial correction as an indispensable opportunity

18

8

FY2026 Financial Forecast



Our business is performing solidly in FY2026, and we continue to execute cooperate restructuring

Net Sales

First Half **1,400** Bil JPY

Full Year **2,800** Bil PY

Operating Profit

120 Bil JPY
(OP Margin 8.6%)

200 Bil JPY
(OP Margin 7.1%)

| 9

9

Management Direction



Past

- Pursue scale expansion with an omnidirectional approach across internal businesses.
- Apply uniform performance management by comparing identical KPIs across all
- Prioritize short-term performance, valuing profitability over asset efficiency in evaluations.



From Now On

- **Promoting Selection and Concentration through Portfolio management.**
 - Execute corporate restructuring without exceptions
 - Transform qualitatively into a high-growth, high-profitability company
- **Implement ROIC management by making decisions based on capital profitability.**
- **Restore the financial foundation rapidly.**

New management team will develop the Mid-Term Management Plan

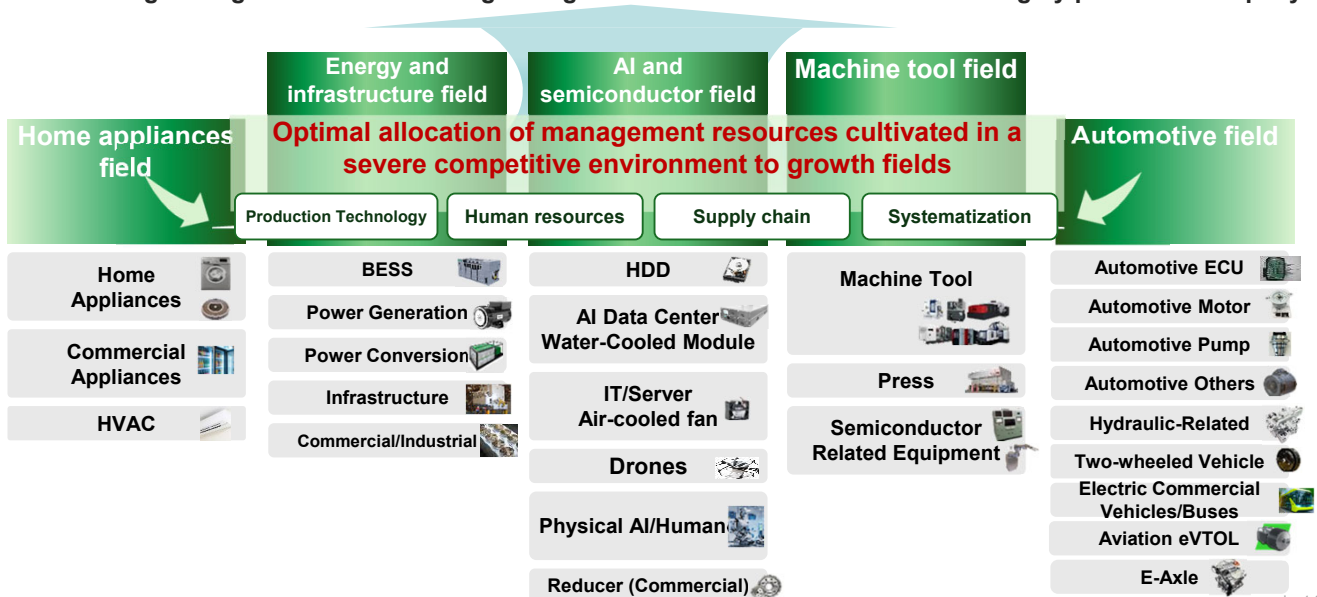
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10

Shift Company Resource into Growth Areas



Selection and concentration of "home appliance and automotive businesses" with low profitability/growth, and shifting management resources to growing business areas to transform into a highly profitable company



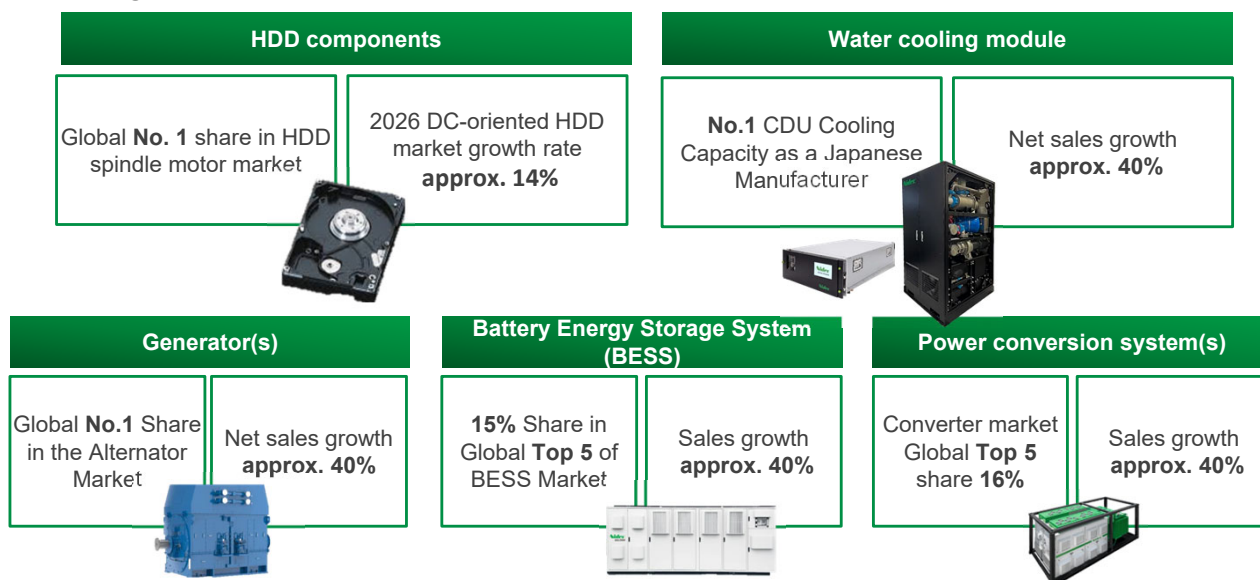
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11

High profitability and growth business: AI/IT field



- Capitalize on data center expansion to drive steady performance in "power generations/storage/conversion generation/storage/conversion" and "storage/cooling module" businesses.
- Execute growth investments for further business expansion.



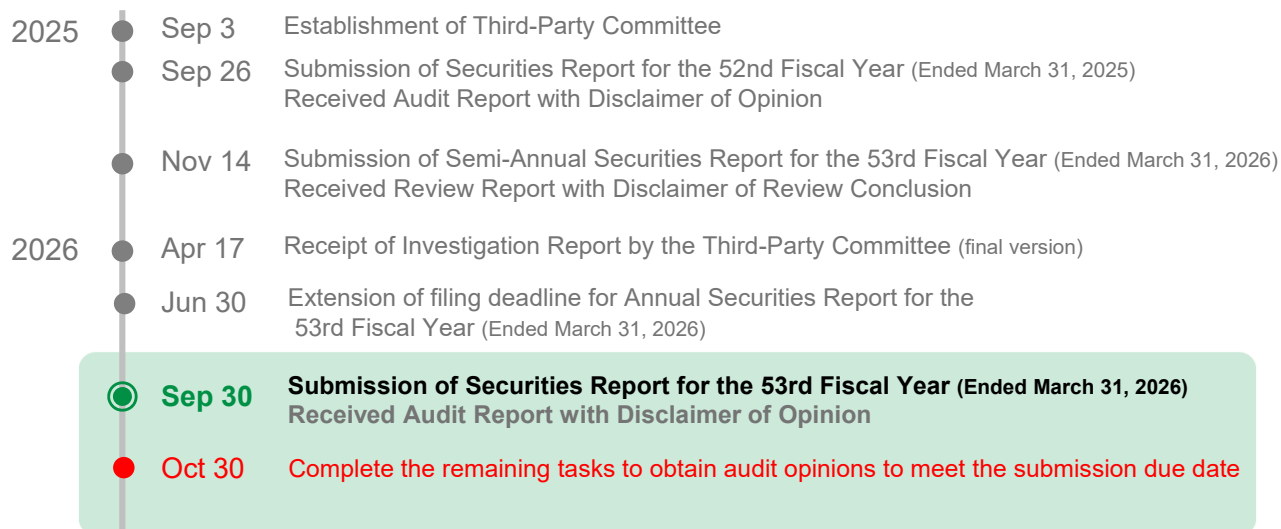
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12

To Obtain Audit Opinions



Corrected improper accounting practices and submitted restated financial statements for prior years, along with the delayed FY2025 Annual Securities Report



| 13

13

3. Financial Results for Prior Years (Restated)

14

Overview of Restated Earning Reports

Based on investigation results of the Third-Party Committee, the following financial restatements were implemented

Restatement Period	From the fiscal year ended March 31, 2021, to the fiscal year ended March 31, 2025
Total Restatement Amount	Compared to pre-correction figures, Net assets decreased by 476.9 billion yen as of the end of the fiscal year ended March 31, 2025
Correction of Improper Accounting	Restated 208 billion yen* for improper accounting practices *Impact on net assets as of the end of the fiscal year ended March 31, 2025, based on the findings of the Third-Party Committee
Secondary Impact	Impairment losses of 288.0 billion yen in prior years as secondary impacts of restatements

(Major impairment losses included in improper accounting and secondary impacts)	
Automotive (AMEC)	204.2 billion
Machinery and Automation (NDTC-G)	76.8 billion

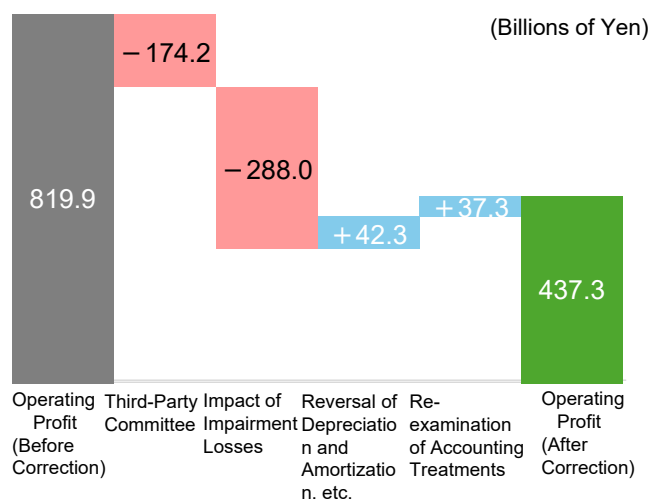
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Impact of Restatements : P/L Summary



The cumulative restatement of operating profit from FY2020, through FY2024 is 437.3 billion yen.

Following the receipt of the Third-Party Committee's investigation report, we re-examined our accounting treatments, including a review of impairment losses.



The cumulative impact of restatements (FY2020 ~ FY2024 5-Year Cumulative Total)

Operating Profit (Before Correction)	819.9
Third-Party Committee	-174.2
Impact of Impairment Losses	
Impairment Losses	-288.0
Reversal of Depreciation and Amortization, etc.	+42.3
Re-examination of Accounting Treatments	+37.3
Total Corrections	-382.6
Operating Profit (After Correction)	437.3

The restatement reflects correction of improper accounting and does not impact cash flows.

| 16

16

Impact of Restatements by Fiscal Year : P/L Summary



(Billions of Yen)	FY2020	FY2021	FY2022	FY2023	FY2024	Cumulative
Sales (Before Correction)	1,618.1	1,918.2	2,230.0	2,347.2	2,607.8	10,721.3
Third-Party Committee	-6.7	-9.5	+3.7	-2.7	-0.6	-15.8
Re-examination of Accounting Treatments	-2.5	+2.7	-4.9	-2.8	-0.9	-8.4
Total Corrections	-9.2	-6.8	-1.2	-5.5	-1.5	-24.2
Sales (After Correction)	1,608.9	1,911.4	2,228.8	2,341.7	2,606.3	10,697.1
Operating Profit (Before Correction)	159.9	170.4	89.9	161.9	237.8	819.9
Third-Party Committee	-14.0	-13.3	-19.1	-31.8	-96.0	-174.2
Impact of Impairment Losses						
Impairment Losses	+0.4	-1.9	-204.2	-2.7	-79.6	-288.0
Reversal of Depreciation and Amortization, etc.	+0.3	+0.3	+0.3	+19.9	+21.5	+42.3
Re-examination of Accounting Treatments	+10.3	-9.2	-2.2	-6.1	+44.5	+37.3
Total Corrections	-3.0	-24.1	-225.2	-20.7	-109.6	-382.6
Operating Profit (After Correction)	156.9	146.3	-135.3	141.2	128.2	437.3
Operating Profit Margin (Before Correction)	9.9%	8.9%	4.0%	6.9%	9.1%	7.6%
Operating Profit Margin (After Correction)	9.8%	7.7%	-	6.0%	4.9%	4.1%

| 17

17

Impact of Restatements by Fiscal Year : B/S Summary



As a result of restatements of prior years' financial results, the equity ratio declined to 42.5% as of the end of March 2025.

Billions of Yen	FY2020	FY2021	FY2022	FY2023	FY2024
Total Assets (Before Correction)	2,256.0	2,678.5	2,862.7	3,159.7	3,315.3
Total Corrections	-60.5	-75.8	-284.9	-312.7	-395.5
Total Assets (After Correction)	2,195.5	2,602.7	2,577.8	2,847.0	2,919.8
Total Net Assets (Before Correction)	1,113.9	1,316.7	1,365.8	1,658.2	1,743.6
Third-Party Committee	-51.6	-65.1	-81.5	-112.3	-208.0
Impact of Impairment Losses					
Impairment Losses	+0.4	-1.5	-205.7	-208.4	-288.0
Reversal of Depreciation and Amortization, etc.	+0.3	+0.6	+0.9	+20.8	+42.3
Re-examination of Accounting Treatments	-53.8	-74.1	-56.4	-99.9	-23.2
Total Corrections	-104.7	-140.1	-342.7	-399.8	-476.9
Total Net Assets (After Correction)	1,009.2	1,176.6	1,023.1	1,258.4	1,266.7
Equity ratio (Before Correction)	48.6%	48.2%	47.0%	51.6%	51.8%
Equity ratio (After Correction)	45.2%	44.3%	39.1%	43.2%	42.5%

| 18

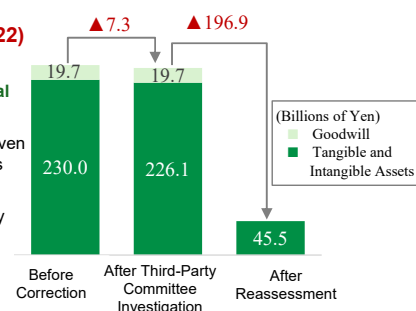
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Major Impairment Losses



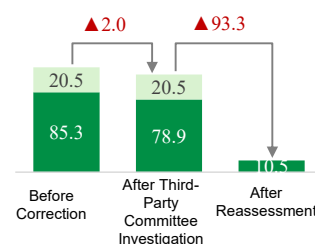
AMEC (Automotive Motor & Electronic Control Business Unit) ▲204.2billion yen (FY22)

- AMEC primarily focuses on automotive motors, including those for electric power steering (EPS), electric brakes, and pumps. **Anticipating electrification, the business expanded its operational foundation through M&A and capital expenditures.**
- In addition to shifts in the EV market, revised electrification strategies by Western OEMs, and falling vehicle prices driven by the rise of Chinese OEMs, price reduction demands from automakers and Tier 1 suppliers intensified. For products with diminished differentiation, **adoption of Chinese suppliers expanded, intensifying price competition.**
- Securing orders and market share failed to yield standard profitability, widening the mismatch with production capacity originally built on expectations of demand growth. **As the financial corrections for prior years made clear that profitability was continuously declining, impairment losses were recognized.**



NDTC-G (Nidec Drive Technology Group) ▲95.3billion yen (FY24)

- NDTC-G is a machinery segment encompassing speed reducers, machine tools, and press machines. The speed reducer business operates bases in Japan and Europe (e.g., Germany), offering a line of products ranging from small to large sizes.
- The speed reducer business has suffered from persistent low profitability due to **intensifying competition with Chinese and other manufacturers**, centered on small-sized products, as well as **cost burdens at European sites**. Necessitated transitioning production of small-sized products to low-cost regions and shifting toward promising large-sized products, such as those for data center generators.
- The speed reducer business in Japan and certain overseas operations also stagnated, while in the press business, **excess inventory in the plate fabrication segment pressured operating performance**. Acquired businesses have also failed to fully deliver projected growth and integration synergies.
- As the financial corrections made clear that certain businesses remained persistently unprofitable**, it was determined that businesses previously evaluated as a single unit should be assessed individually, leading to the recognition of impairment losses.



| 19

19

Impact on Non-Consolidated Net Assets and Distributable Amount



As a result of reflecting the deterioration of net assets due to the restatements of prior years' financial results at group companies into the valuation of shares in subsidiaries and associates, distributions in excess of the distributable amount occurred in dividends based on the financial results for the fiscal years ended March 2021 through March 2025.

	FY2020	FY2021	FY2022	FY2023	FY2024
Total Assets (Before Correction)	298.1	250.3	240.8	339.5	339.0
Valuation of shares in subsidiaries and associates, etc.	-25.4	-25.4	-49.7	-41.8	-72.7
Provision for Liabilities in Excess of Assets Related	-11.0	-18.4	-59.4	-85.8	-58.8
Other Corrections	-1.9	-2.8	-3.5	-2.2	-4.6
Impact of Corrections	-38.3	-46.6	-112.6	-129.8	-136.1
Total Assets (After Correction)	259.8	203.7	128.2	209.7	203.0
Items (Billions of Yen)	FY2020	FY2021	FY2022	FY2023	FY2024
Distributable Amount* (Before Correction)	112.8	65.2	54.7	149.1	150.7
Impact of Corrections	-38.3	-46.6	-112.6	-129.8	-136.1
Distributable Amount*① (After Correction)	74.5	18.6	-57.9	19.3	14.6
Total of Dividends and Share Repurchase for the Next Fiscal Year ②	92.6	94.0	41.3	53.8	22.9
Excess of Dividends over Distributable Amount for Next FY③ = ① - ②	-18.2	-75.4	-99.2	-34.5	-8.3

* Distributable Amount: Stated as the amount allocated for distributions (dividends and share Repurchase) in the next fiscal year.
 <Formula> Other Capital Surplus + Other Retained Earnings - Treasury Stock - Valuation Differences (if negative balance)

| 20

4. FY2025 Financial Results

Highlights of FY25 Financial Results



Net sales	Operating profit	Impairment losses
2,708.7 billion yen +3.9% Y/Y	-519.0 billion yen -645.4 billion yen Y/Y	632.1 billion yen +425.4% Y/Y

Key points

■ Net sales

Consolidated net sales increased Y/Y.
In particular, MOEN (Appliance, commercial and industrial products) performed strongly, led by alternators, supported by robust demand for data centers in North America.

■ Operating profit

Recording of large impairment losses resulted in a consolidated operating loss.

■ Impairment losses

(Major impairment losses)

ACIM	-298.8 billion yen
NPe (NIDEC PSA EMOTORS SAS)	-116.3 billion yen
NMOJ (NIDEC MOBILITY CORPORATION)	-73.1 billion yen

■ Other Topic

Due to the recognition of significant impairment losses at consolidated subsidiaries, Nidec Corp., the parent company, recognized significant impairment losses

- Recognition of impairment losses on shares of subsidiaries and investments held by Nidec Corp.
- Provision for allowance for doubtful accounts regarding receivables from subsidiaries, etc.

| 22

22

Consolidated Profit/Loss



(Billions of yen)	FY24 (After correction)	FY25	Change
Net sales	2,606.3	2,708.7	+102.4
Operating profit	128.2	-519.0	-647.2
Operating profit ratio	4.9%	-19.2%	-24.1Pt
Profit before income taxes	124.6	-496.2	-620.8
Profit attributable to owners of the parent	84.7	-564.6	-649.3
Free Cash Flow	136.8	98.0	-38.9

FX rate(JPY/USD)

Average	152.58	150.77
Term-end	149.52	159.88

| 23

23

Major Impairment Losses



ACIM (Appliance, commercial and industrial products) **-298.8 billion yen**

Business overview

Motors and compressors for home appliances and HVAC, commercial and industrial motors for agriculture, water treatment, power generation, commercial HVAC and refrigeration equipment

Background of impairment

1. Home appliances business: Excess supply capacity

Following the post-COVID slowdown in market growth, 40-50% of our supply capacity -prepared on the premise of expanding demands- became surplus. This excess capacity weighed on earnings as a fixed-cost burden.

2. Home appliances business: Excessive competition in the Chinese market

In the Chinese market, while our market share rivaled that of domestic competitors, we faced escalating price reduction pressure from home appliance manufacturer customers.

Excessive price competition in the Chinese market remained as local competitors prioritized maintaining their market share over profitability, accepting operating losses.

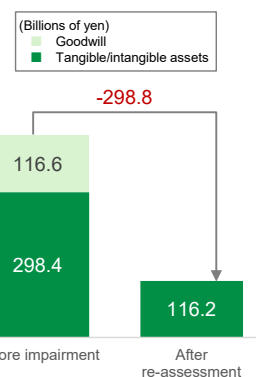
Thus, our business in this area, including compressors and motors for home appliances, fell into an operating loss, and it became difficult to expect a recovery to the break-even point in the medium term.

3. General industrial motor business: Business structure with heavy fixed-cost burden

General industrial motor accounts for around 75% of this line of business. With numerous operational/production sites concentrated in Western Europe (mainly in France), this business has been facing heavy fixed-cost burden, resulting in sustained low-profitability.

To avoid short-term impacts on financial performance, structural reforms, including those of production sites, had not sufficiently progressed. As a result, even after factoring in structural reforms and additional investments, profitability recovery was expected to require a prolonged period.

Based on the above, we reviewed future potential and profitability of the business and decided to pursue radical structural reforms including those in production systems, resulting in the record of impairment losses.



| 24

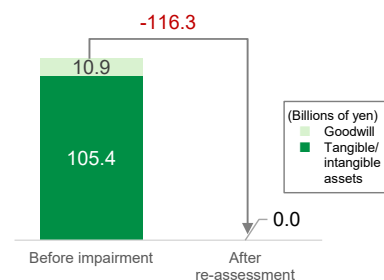
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Major Impairment Losses



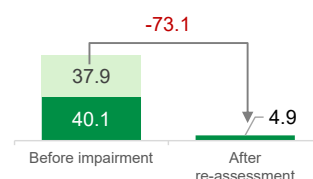
NPe (NIDEC PSA EMOTORS SAS) **-116.3 billion yen**

- NPe's business is production and sales of traction motor system, mainly E-Axle for EV.
- In the initial stage of the business, we made **upfront investment in R&D and production facilities, anticipating rapid growth in the EV market and expanding production by key customers.**
- However, **growth of EV market fell short of our expectations**, and order volumes from Stellantis (key customer) declined continuously through FY24-25. Thus, we were unable to secure shipment volumes corresponding to the capital investments, resulting in a **significant deterioration of profitability.**
- Though we extended the planning period to 2035 and factored in process improvements, scrap reduction, design cost reduction, etc., we recorded impairment losses in light of **recent deterioration of business performance and weak budget for the next fiscal year.**



NMOJ (NIDEC MOBILITY CORPORATION) **-73.1 billion yen**

- NMOJ's business is automotive ECU, automotive interior switches and power supply equipment such as DC-DC converter and on-board charger.
- Operational issues arising in specific product categories of the overseas business** weighed on the overall profitability.
- Upfront investment in R&D in anticipation of a shift to automotive electronics business** weighed on near-term profitability.
- In the process of formulating the mid-term business plan, we defined the policy of **structural reform based on business portfolio transformation.** We recorded impairment losses based on the revised business plan.



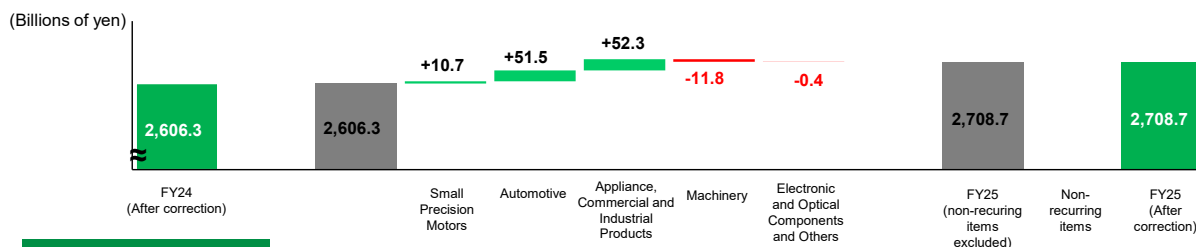
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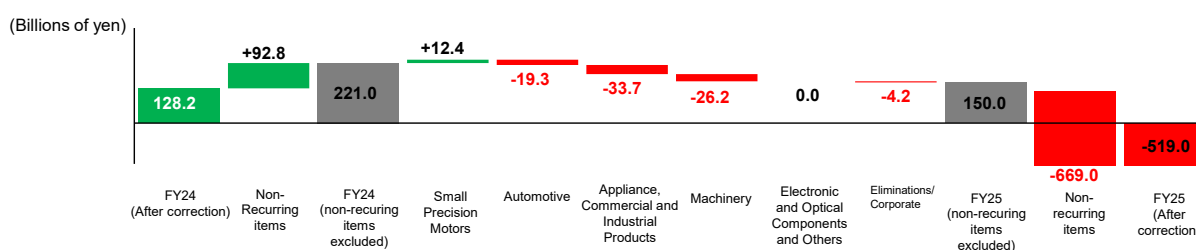
Results by Product Group



Sales



Operating profit



| 26

26

Consolidated Balance Sheet



While net-debt has improved, equity ratio declined by 16.9 percentage points to 25.6%.

(Billions of yen)	FY24 (After correction)	FY25	Change		FY24 (After correction)	FY25	Change
Current assets	1,566.5	2,274.9	+708.4	Current liabilities	1,106.4	1,676.6	+570.2
Cash and cash equivalents	246.3	852.2	+605.9	Interest-bearing debt	258.0	682.1	+424.1
Trade and other receivables	686.6	736.5	+49.9	Non-current liabilities	546.6	666.3	+91.0
Inventories	530.4	561.0	+30.6	Interest-bearing debt	381.2	431.3	+49.2
Non-current assets	1,353.3	832.7	-498.1	Equity	1,266.8	764.7	-502.1
Property, plant and equipment	668.5	449.7	-218.8	Total equity attributed to owners of the parent	1,239.9	794.2	-445.7
Goodwill	355.7	170.2	-185.5	Non-controlling interests	26.9	-29.4	-56.3
Other intangible assets	222.4	129.5	-92.9				
Total assets	2,919.8	3,107.6	+187.8	Equity ratio	42.5%	25.6%	-16.9pt
Net-debt	-392.9	-261.2	+131.7				

| 27

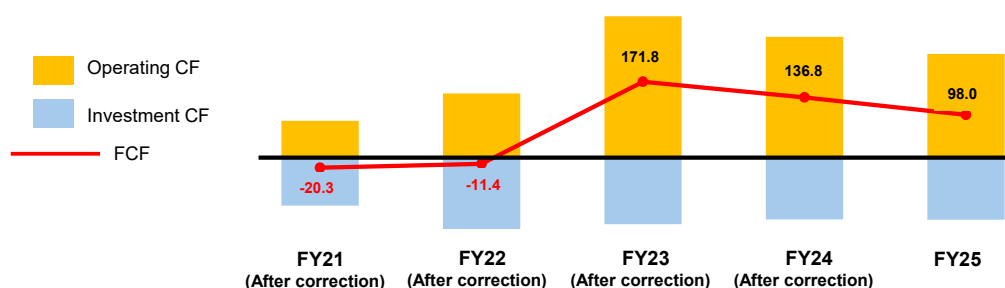
27

Consolidated Cash Flows



Operating cash flow is steady.

(Billions of yen)	FY24 (After correction)	FY25	Change
CF from operating activities	272.5	234.2	-38.3
CF from investing activities	-135.6	-136.2	-0.6
Free CF	136.8	98.0	-38.9
CF from financial activities	-80.4	418.2	498.6



28

Evaluation of Internal Control over Financial Reporting and Actions



As of March 31, 2026, we evaluated that our internal control over financial reporting was not effective.

Weakness in internal control^{*1}

Improper accounting and errors

- Weakness in management oversight and control
- Weakness in material risk reporting
- Weakness in independence and check function of the accounting

Issue related to trade compliance

- Weakness in internal audit function
- Weakness in control over accounting policy and process
- Weakness in trade management and standardization

Prevention measures

- Corporate culture and compliance reform
- Strengthening governance and risk management
- Review of evaluation system and business management
- Strengthening accounting and audit function and implementation of accounting policy
- Strengthening trade management system and standardization

^{*1} Material weakness about internal control over financial reporting

^{*2} Although remediation measures have been implemented for the material weakness regarding FIR tariff issues identified in the prior fiscal year, we have evaluated that it has not been remediated, as new material weaknesses were identified during the fiscal year in company-wide internal controls and internal controls over financial reporting processes evaluated from a company-wide perspective.

| 29

29

5. FY2026 Forecast

30

FY26 Forecast



(Billions of yen)	FY25	FY26 Forecast	Change
Net sales	2,708.7	2,800.0	+91.3
Operating profit	-519.0	200.0	+718.9
Operating profit ratio	-19.2%	7.1%	+26.3Pt
Profit before income taxes	-496.2	180.0	+676.2
Profit attributable to owners of the parent	-564.6	100.0	+664.6
Dividend (yen)	-	TBD	-

FX rate(JPY/USD)

Average 150.77

Term-end 159.88

<Expected FX rate>

JPY/USD: 150.00

JPY/EUR: 180.00

Note: Every one yen appreciation or depreciation against the U.S. dollar and the euro is estimated to have an annualized impact of 10.0 billion yen and 1.9 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively (based on FY25 result).

| 31

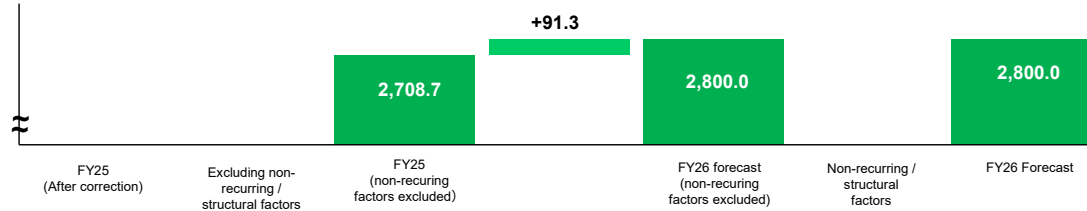
31

FY26 Forecast

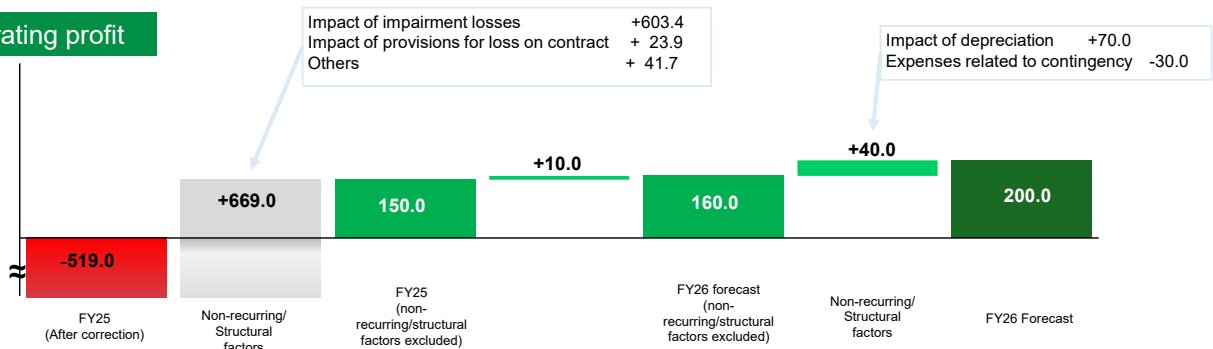
Nidec

Sales

(Billions of yen)



Operating profit



Structural factors: Impact of fluctuations in costs arising from non-recurring factors such as decreases in depreciation resulting from impairment losses on fixed assets

| 32

Nidec