



FOR IMMEDIATE RELEASE

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**Nidec Discloses an English Version of the Digest of the Executive Responsibility
Investigation Committee's Investigation Report**

As announced in the press release, "Nidec Discloses the Investigation Report Issued by the Executive Responsibility Investigation Committee," dated October 20, 2026, Nidec Corporation (TSE: 6594; OTC US: NJDCY) hereby discloses an English version of the digest of the Executive Responsibility Investigation Committee's investigation report as shown in the attachment, as the translation was completed today.

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This English version of the Summary of the Investigation Report is a translation of the original Japanese version and has been prepared for convenience only. In case of any conflict in interpretation or any inconsistency between the Japanese and English versions, the Japanese version shall govern and prevail.

October 16, 2026

Summary of the Investigation Report

Nidec Corporation

Executive Responsibility Investigation Committee

Chairperson: Shin Kikuchi

Member: Haruka Matsuyama

Member: Kenichi Akiba

Chapter 1 Overview of the Committee

Section 1 Background to the Establishment of the Committee, etc.

The Committee was established for the purpose of investigating and reporting on the existence or non-existence of legal liability, including whether any person who served as a director, corporate auditor or vice president during the period from FY2020 through the first quarter of FY2025 bore liability for breach of duty in connection with the execution of his or her duties, with respect to the series of issues involving inappropriate accounting treatment revealed in the Third-Party Committee's Investigation Report.

The Committee conducted its investigation from April 7, 2026, through the date of submission of this report¹ (October 16, 2026). Specifically, in addition to receiving materials and interview memoranda from the Third-Party Committee, the Committee independently collected and reviewed materials and also conducted forensic investigations, investigative interviews, and other investigative procedures.

Section 2 Matters Investigated

1 Persons Subject to Investigation

With respect to officers under the Companies Act, the Committee investigated persons who served as directors (including Audit and Supervisory Committee members) or corporate auditors during the period from FY2020 through the first quarter of FY2025, which was the period covered by the Third-Party Committee's investigation. With respect to vice presidents, the Committee limited the scope of investigation to: (i) persons who held ultimate responsibility for the preparation and submission of consolidated financial statements and non-consolidated financial statements under the Companies Act, as well as those under the Financial Instruments and Exchange Act, and for whom, in light of the series of facts and circumstances, the question of whether they breached their duty of due care as vice presidents could arise in particular; and (ii) persons concurrently serving as directors or corporate auditors of subsidiaries.²

¹ "This report" means the investigation report dated October 16, 2026, prepared by the Committee.

² Vice presidents, unlike directors, are generally understood not to owe a duty of supervision. However, those who concurrently serve as directors or corporate auditors of subsidiaries owe the duty of supervision in their capacity as directors or corporate auditors of those subsidiaries, and such duties are understood to be included within their responsibilities as vice presidents.

2 Scope of Investigation

The Committee conducted its investigation within the scope of the facts found in the Third-Party Committee's Investigation Report.³

3 Investigation Policy

The Committee investigated and examined potential breach of duty by the persons subject to investigation that could be at issue in this matter by dividing such conduct into: (i) breach of duty in company-wide initiatives aimed at resolving "Legacy Liabilities"; and (ii) breach of duty in individual accounting misconduct cases.⁴

(1) Breach of Duty in Company-Wide Initiatives Aimed at Resolving "Legacy Liabilities"

According to the Third-Party Committee's Investigation Report, Nidec's management recognized that there were numerous suspicions of accounting misconduct within the Group and, as a result, assets whose carrying amounts may not be recoverable ("Legacy Liabilities") had accumulated. To address this issue, initiatives were implemented in the form of the "Asset Revitalization Project" from November 2016 and "Structural Reform" in the fourth quarter of 2022 ("FY22 Structural Reform"). However, both of these initiatives were pursued under a policy of permitting accounting treatment only to the extent consistent with achieving performance targets (operating profit), and the necessary accounting treatment was deferred.

Accordingly, the Committee examined whether the policies adopted by Nidec in the course of these initiatives to resolve "Legacy Liabilities" were appropriate from the perspective of carrying out

³ Nidec made corrections to its prior annual securities reports in its annual securities report for the fiscal year ended March 31, 2026, which was submitted on September 30, 2026. However, because (i) the amended annual securities reports for prior fiscal years reflecting the retrospective restatement (for the fiscal year ended March 31, 2025 and prior fiscal years) had not yet been submitted as of the date hereof, (ii) there were practical and time constraints on the Committee's ability to obtain information about the details of such corrections during the period from the submission date of the annual securities report for the fiscal year ended March 31, 2026 to the submission date of this report, and (iii) the accounting auditor had not expressed an audit opinion on the annual securities report submitted on September 30, 2026 and its accuracy could not be confirmed, this report considers the contents of the annual securities report for the fiscal year ended March 31, 2026, including the retrospective restatement, for reference purposes only, and instead relies on the annual securities reports prior to restatement, the contents of the Third-Party Committee's Investigation Report, and the results of self-inspection based thereon.

⁴ Nidec disclosed in presentation materials for a press conference on October 1, 2026, that, as a result of the current restatement of financial results, it had had no distributable amount since FY2020. However, because amended annual securities reports for prior years had not been submitted as of the date of this report and the distributable amounts for prior years that would need to be investigated therefore remained uncertain, the Committee determined that it would be difficult to address this issue in this report and accordingly treated it as being outside the scope of the investigation.

accounting treatment in accordance with accounting standards, including not only the establishment and operation of policies for proper accounting treatment, but also the necessary investigations and similar procedures required to consider proper accounting treatment. From that perspective, the Committee examined whether the persons subject to investigation had breached their duties.⁵

(2) Breach of Duty in Individual Accounting Misconduct Cases

The Third-Party Committee's Investigation Report identified 14 accounting misconduct cases as representative cases. Among them, the Committee considered in which cases the persons subject to investigation could be evaluated as having themselves committed accounting misconduct at Nidec, or as having left unaddressed or overlooked accounting misconduct risks despite being able reasonably to foresee them. As a result, with respect to the cases set forth below, the Committee decided to conduct a deeper investigation into the factual circumstances of how the persons subject to investigation were involved in the relevant accounting misconduct and then to examine whether they had breached their duties.

Case Name	Notes (Issues identified in the Third-Party Committee's Investigation Report)
Accounting Misconduct at NPCJ ⁶ (II, Part 6, 1)	Customer negotiations were conducted at the business unit, where the impairment risk was recognized.
Failure to Recognize Loss Allowance in the AMEC ⁷ Organic Business (II, Part 6, 9)	The existence of overdue receivables at subsidiary NAMA ⁸ and the risk of having to recognize loss allowance for those receivables

⁵ The reason a large number of assets whose carrying amounts may not be recoverable ("Legacy Liabilities") came to accumulate within the Nidec Group was that internal control over financial reporting was not functioning, and the initiatives to resolve them could also be seen as efforts to correct deficiencies in the internal control system for financial reporting across the entire corporate group, including subsidiaries. Therefore, the issue could be discussed within the framework of breach of duty concerning the establishment and operation of internal control systems. However, in light of the facts and circumstances, Nidec's management shared a distinctive view, strongly influenced by Mr. Nagamori, of prioritizing IFRS-based operating profit and treating financial accounting as subordinate to it. It can be said that the internal controls that should have been in place were effectively nullified by Nidec's own financial reporting system (the disposition policy for "Legacy Liabilities") established and operated based on that view. Accordingly, rather than framing and discussing the issue as a general breach of duty concerning the establishment and operation of internal control systems, the Committee organized the issue as whether directors and vice presidents breached their duties by establishing and operating the specific system (the disposition policy for "Legacy Liabilities") that brought about such nullification of internal controls, and whether directors and corporate auditors who recognized yet tolerated such system (disposition policy) breached their duties of supervision and audit, and addressed the issue in the body of this report accordingly.

⁶ This refers to Nidec Precision Corporation (formerly Nidec Copal Corporation (NCPL)).

⁷ This refers to the Automotive Motor & Electronic Control Business Unit.

⁸ This refers to Nidec Automotive Motor Americas LLC.

Case Name	Notes (Issues identified in the Third-Party Committee's Investigation Report)
	were recognized at the business unit.
Avoidance of Recognition of Impairment Losses in the AMEC Traction Motor Business (II, Part 6, 10)	Accounting misconduct was carried out at the business unit.
Avoidance of Recognition of Impairment Losses and Provisions in the AMEC Inverter Business (II, Part 6, 11)	Same as above.

Chapter 2 Facts and Circumstances

Section 1 Accounting Misconduct at NPCJ

1 Overview

NPCJ, a subsidiary of Nidec, was principally engaged in the manufacture and sale of camera shutters. However, as digital cameras were replaced by smartphones from 2008 onward, its business performance deteriorated, and beginning around 2014 it expanded transactions with Company α with the aim of shifting its business portfolio.

In 2016, however, there followed projects in which sales ended without obtaining orders for the anticipated quantities and prices despite substantial capital investment (due to circumstances such as model changes) (Project Z-1), as well as projects in which capital investment was made in advance but orders were never obtained (Project X/Y), giving rise to a risk of substantial impairment losses. This became a major management issue not only for NPCJ but also at Nidec headquarters.

At NPCJ, which was manufacturing products for Company α projects, problematic accounting treatment was carried out, including consideration of measures to avoid impairment and measures to inflate profit lacking economic substance, in order to achieve performance targets as profitability had deteriorated due to the circumstances described above.

Such accounting treatment was the subject of numerous findings in internal audits and was also identified as a risk in the “Asset Revitalization Project” and “special audits”.

2 Accounting Misconduct Cases

(1) Project Z-1

NPCJ undertook the manufacture of small vibration motors (Project Z-1), made substantial capital

investments at its Vietnamese subsidiary, and commenced mass production. However, after peaking in the third quarter of FY2015, shipments subsequently fell substantially below the levels originally anticipated, and shipments in the following fiscal year and thereafter were expected to decline further. The severe situation relating to business with Company α , including Project Z-1, was also reported to Mr. Nagamori and was recognized as a management issue on the Nidec headquarters side as well.

In the second quarter of FY2016, NPCJ considered various measures, including having NPCJ purchase the relevant manufacturing equipment from NPVC and thereafter attempting partial repurposing or sale. However, repurposing had still not progressed as of May 2017. Nevertheless, Nidec and NPCJ avoided being pointed out as having impairment risk by, among other things, presenting to the accounting auditor business plans that overstated production and sales prospects relative to actual conditions, and they neither conducted an impairment test nor recognized any impairment loss.

(2) Project X/Y

At NPCJ, despite substantial upfront investment aimed at obtaining orders for and commercializing Project X/Y, orders were not forthcoming, and Mr. Nagamori sternly rebuked Mr. Kobe, Mr. Katayama and others, pointing out impairment risk. In response, Mr. Kobe visited the NPCJ Koriyama Office, confirmed the current situation and the negotiation policy with Company α , and reported to Mr. Nagamori, while Mr. Katayama explained to Mr. Nagamori that he was considering the possibility of repurposing the equipment acquired through the upfront investment as a hedge against risk. Nidec as a whole was engaged in these efforts. However, in October 2016, Company α notified NPCJ that it would not place orders, and the loss of the order became certain.

Despite this situation, Nidec and NPCJ neither conducted an impairment test nor recognized any impairment loss. Nidec and NPCJ did not inform the accounting auditor of the fact that the order had been lost, and although they explored repurposing the equipment relating to Project X/Y, repurposing had not progressed (the repurposing ratio was approximately 6.7% as of January 2018).

(3) Technical Support Case

As a measure to inflate profit in the second quarter of FY2016, NPCJ considered recognizing revenue by entering into a service agreement under which NPCJ would receive outsourcing fees on the premise that it had provided paid technical support to an outside contractor in connection with the delivery of equipment ordered from that outside contractor for the Project Y equipment. This measure to inflate profit was also reported to Mr. Akira Sato and the vice president in charge of

managing domestic group companies (hereinafter, “Mr. C”).

In January 2017, NPCJ then executed with the outside contractor a service agreement backdated to October 22, 2014 stating that “there is consideration to be received,” and a supplemental agreement dated September 30, 2016 stating that “there are no receivables or payables in respect of the consideration to be received,” and recognized revenue by showing only the service agreement to the accounting auditor.

Section 2 “Asset Revitalization Project”

From October 2016, the first senior vice president in charge of corporate administration & internal audit department (hereinafter, “Mr. B”) became concerned by the fact that internal audit reports concerning group subsidiaries (particularly NPCJ and NSTJ⁹) contained numerous findings relating to suspicions of accounting misconduct, and proposed identifying “Legacy Liabilities” and considering responses such as write off and disposal, targeting business units and domestic group companies. After discussions with director and executive vice president (CFO) Mr. Akira Sato and Mr. C, he launched the “Asset Revitalization Project.”

In the “Asset Revitalization Project,” “Legacy Liabilities” were identified basically on the basis of self-reporting from business units or domestic group companies, and thus the investigation did not ensure completeness, but a general investigation was carried out until around the summer of 2017. The project then classified “Legacy Liabilities” within the Nidec Group into high-risk, medium-risk, and low-risk categories according to Nidec’s own criteria, and adopted a policy under which high-risk items, for which it was obvious that impairment treatment or similar treatment would be required in the accounting audit, would be disposed of early, while medium- and low-risk items would be disposed of in a planned manner through self-funding.

On November 4, 2017, the team in charge of the “Asset Revitalization Project” gave Mr. Nagamori an overview report on the project. At that time, Mr. B submitted recommendations that: (i) an internal investigation committee including outside experts should be formed and a company-wide investigation conducted to ensure transparency; and (ii) the “Asset Revitalization Project” should be reported to the board of directors and the board of corporate auditors and a clear response policy should be established after discussion including outside officers. These recommendations, however,

⁹ This refers to Nidec Seimitsu Corporation.

were not accepted.¹⁰

As a result, impairment treatment for the “Legacy Liabilities” held by the Nidec Group, including NPCJ,¹¹ was deferred (except for certain items classified as high-risk).

The “Asset Revitalization Project” continued to be reported regularly thereafter, and, as a general rule, reports were made to Mr. Nagamori, Mr. Kobe, Mr. Akira Sato, and Mr. C, and later also to Mr. Yoshimoto and Mr. Seki, who subsequently became Representative Director and President. In addition, in February 2019 it was reported to the full-time corporate auditors through sharing of the minutes of the executive meeting, and it was also reported at the board of corporate auditors in March of the same year.

Section 3 “FY22 Structural Reform”

Nidec has been expanding the automotive products business as a new business pillar to replace the small precision motor business, appointing former automobile manufacturer personnel as Representative Director and President for two successive generations and investing substantial development costs in the automotive products business. However, as performance failed to improve, and amid repeated failures to meet plans and repeated equipment impairment in the AMEC Traction Motor Business, the Representative Director and President was changed from Mr. Seki to Mr. Kobe in September 2022.

Thereafter, in December 2022, efforts began to visualize “Legacy Liabilities” in the automotive products business and dispose of them appropriately. The senior vice president (CFO) at Nidec headquarters (hereinafter, “Mr. D”) encouraged business units and domestic group companies to submit applications for “Legacy Liabilities,” seeing this as an excellent opportunity to dispose of such “Legacy Liabilities” that had previously not been addressed. However, because applications totaling approximately JPY 160 billion were received, exceeding expectations, it was decided to set a cap equal to the amount that could be disposed of while still securing a certain level of

¹⁰ The “Asset Revitalization Project” was never reported to the board of directors, and it was not reported to the board of corporate auditors until after PwC Kyoto discovered the existence of the “Asset Revitalization Project” in the course of the 2019 investigation (an investigation by an external law firm into the accounting misconduct case discovered in the second half of FY2018). In addition, under the “Asset Revitalization Project,” updates on the results of the disposal of “Legacy Liabilities” at each company continued to be made through January 2023.

¹¹ With respect to NPCJ matters, they were also reported by NPCJ as “Legacy Liabilities” at the time of “FY22 Structural Reform” but were classified as planned disposition items and their treatment was deferred.

consolidated operating profit,¹² and to divide the items into two categories: (i) structural reform items to be disposed of in the fourth quarter of FY2022 within that cap; and (ii) planned disposition items, which would not be disposed of then but instead deferred and expensed over a certain period.

In allocating items between structural reform items and planned disposition items, priority was given not only to items with high audit risk but also to items that would contribute to improved performance in the following fiscal year (i.e., items with a high return). As a result, multiple items that should originally have been subject to impairment treatment were allocated to planned disposition items.¹³

As for planned disposition items, the business plan for the fiscal year ended March 31, 2024 set forth extremely high performance targets (prepared around a “V-shaped recovery” narrative), and accordingly disposition did not progress, with a substantial amount of “Legacy Liabilities” still remaining undisposed even in the fiscal year ended March 31, 2025.

Section 4 Avoidance of Recognition of Impairment Losses in the Fiscal Year Ended March 31, 2025

1 Overview

At Nidec, Mr. Kishida assumed office as Representative Director and President (CEO) in June 2024, and among management it was understood, in light of the fact that structural reform expenses had been recorded in each of the prior two fiscal years in order to dispose of “Legacy Liabilities” and similar items in the automotive products business, that operating profit of JPY 240 billion for the full fiscal year had to be achieved in the fiscal year ended March 31, 2025, the first year under Mr. Kishida’s new management structure.

However, as described below, it became clear that there were large loss risks, including impairment, in the AMEC Existing Business and the AMEC Traction Motor Business, among others. Although possibilities for avoiding those risks were explored, it was judged difficult to do so, and accordingly Mr. Kishida, Mr. D, and the senior vice president at headquarters (CPO) (hereinafter, “Mr. E”) formulated a policy of disposing of “Legacy Liabilities” and similar items by recording structural reform expenses separately from full-year operating profit. Mr. Kishida repeatedly

¹² The cap for structural reform expenses was determined based on operating profit for fiscal 2022 (for example, assuming a profit target of JPY 100 billion after deduction of structural reform expenses, if profit before such deduction was JPY 150 billion, JPY 50 billion would be available for structural reform expenses, and if profit fell to JPY 140 billion, structural reform expenses would be JPY 40 billion), and it was also understood that if a business unit or group company fell below its assigned profit target, structural reform expenses would be reduced by the amount of the shortfall.

¹³ In the self-inspection conducted in response to the Third-Party Committee’s Investigation Report, it was concluded that a considerable number of items treated as “disposition in a planned manner” in “FY22 Structural Reform” should have been accounted for in or before the fiscal year ended March 31, 2023.

explained and proposed this policy to Mr. Nagamori at the NKK Meeting¹⁴ around February to March 2025, but Mr. Nagamori did not permit the recording of structural reform expenses on a separate basis, insisting that full-year operating profit of JPY 240 billion was mandatory.

Accordingly, Mr. Kishida abandoned the idea of recording structural reform expenses on a separate basis, and in the financial results for the fiscal year ended March 31, 2025, structural reform expenses were recorded only to the extent corresponding to profits generated by such measures as changing the bonus calculation period, with the remainder deferred to the following fiscal year and thereafter.

During the audit process, Nidec submitted to the accounting auditor, for example, a business plan inconsistent with actual conditions that had been prepared to avoid impairment (AMEC Traction Motor Business), or an old version of a business plan that still included Product B, whose development had been discontinued (AMEC Inverter Business), and thereby gave explanations contrary to the facts in order to avoid recognizing impairment losses. In addition, the recognition of a loss allowance for the overdue receivables in the AMEC Existing Business, which had been considered unavoidable for the fiscal year ended March 31, 2025, was deferred.

2 Accounting Misconduct Cases

(1) NAMA Case

In March 2024, it came to light that NAMA, the Mexican base of the AMEC Existing Business, had a large amount of overdue receivables, including uncollectible receivables. From around September 2024, an investigation was conducted under the leadership of ACIM,¹⁵ and the items were categorized into those that should be disposed of in the fiscal year ended March 31, 2025 and those to be extended to the following fiscal year and thereafter. The Executive general manager of AAD and others explained to Mr. Kishida, Mr. D, Mr. E and others the amount of “Legacy Liabilities” to be recorded in the fourth quarter of FY2024 (including a loss allowance of USD 15,900 thousand relating to NAMA’s overdue receivables).

Taking into account, in addition to NAMA’s overdue receivables, the need to recognize impairment loss in the AMEC Traction Motor Business described below, Mr. Kishida formulated a policy of disposing of these items by recording structural reform expenses separately from full-year operating profit and explained this to Mr. Nagamori. However, because Mr. Nagamori did not

¹⁴ The NKK Meeting is a tri-party meeting that started being held in April 2024, in which Mr. Nagamori, Mr. Kobe, and Mr. Kishida discussed business performance progress, senior management personnel matters, various management issues, and risk responses.

¹⁵ ACIM means Appliance Commercial Industrial Motors Business Unit. Effective January 1, 2025, ACIM management assumed management positions in AAD, and AAD came to oversee ACIM’s business and AMEC (Automotive Motor & Electronic Control) Existing Business.

change his position that the full-year operating profit target should be achieved including structural reform expenses, Mr. Kishida abandoned separate recording of structural reform expenses in the fiscal year ended March 31, 2025.

Thereafter, with respect to NAMA's overdue receivables, in light of the fact that audits by PwC's local member firm had hardly been conducted (meaning that the "audit risk" in Nidec's terminology was low), the recognition of loss allowance in the fiscal year ended March 31, 2025 was postponed.

(2) Traction Case

Within the AMEC Traction Division, substantial structural reform expenses had been recorded for two consecutive years, and there was a shared strong sense of crisis that another impairment loss in the fiscal year ended March 31, 2025 absolutely had to be avoided. At the same time, the outlook for FY2025 was a loss, and this was reported to Mr. Kishida, Mr. D and Mr. E as well.

In preparing the business plan for the fiscal year ending March 31, 2026, the AMEC Traction Division decided, in order to avoid a situation in which the accounting auditor would require the recognition of an impairment loss, to prepare not only a business plan reflecting actual capabilities under current conditions but also a business plan for avoiding impairment, and in February 2025 it reported this to Mr. Kishida, Mr. D and Mr. E.

On the other hand, the AMEC Traction Division intended to recognize an impairment loss if the recording of structural reform expenses was permitted. However, as noted above, because Mr. Nagamori did not change his position that the full-year operating profit target should be achieved including structural reform expenses, Mr. Kishida abandoned separate recording of structural reform expenses in the fiscal year ended March 31, 2025.

After hearing that structural reform expenses would not be recorded, the AMEC Traction Division considered that the facts should be reported to Nidec headquarters and explained to Mr. D materials titled "TRM Impairment Test." Those materials included a business plan for avoiding impairment, color-coded by project and annotated with notes such as "order not yet received; quantity at risk" and "projects for which the sales department explicitly stated there was no chance." Materials including the same content were also sent to Mr. Kishida, and it was reported to him that, for purposes of reporting to the accounting auditor, the company would proceed with impairment avoidance through the fourth quarter of FY2024 but that impairment was expected to occur in the first quarter of FY2025, particularly in June 2025, and that this had already been explained to Mr. D.

Thereafter, the accounting auditor was shown the above business plan for avoiding impairment (with the color-coding and annotations removed), and as a result, the recognition of an impairment loss on fixed assets in the AMEC Traction Division in the fiscal year ended March 31, 2025 was avoided.

(3) Inverter Case

NESJ¹⁶ entered into a project agreement in 2021 with Customer E concerning the development and supply of inverter products (Product A and Product B), and the development project under that agreement (“Project E”) was pursued as a project undertaken by Nidec as a whole. However, development did not proceed as expected, and by the fiscal year ended March 31, 2025, the amount invested had grown to more than double the amount originally anticipated.

After NESJ received a substantial price reduction request from Customer E for Products A and B in November 2024, Nidec considered the profitability of Project E on the premise that development of Product B would be discontinued (in December of the same year, Customer E requested the immediate discontinuation of development of Product B, and in February 2025 discontinuation of Product B’s development was finalized). In that analysis, achieving positive operating profit for Project E was premised on price negotiations with Customer E for Product A and on cost reductions, but to the extent confirmed by the Committee, no circumstances existed as of the end of the fiscal year ended March 31, 2025 that supported Project E’s operating profit turning positive.

Thereafter, when Nidec discussed with the accounting auditor the impairment test of NESJ’s goodwill for the fiscal year ended March 31, 2025, it submitted an old business plan that did not reflect the discontinuation of Product B’s development and gave explanations for the purpose of avoiding impairment of fixed assets relating to Project E. As a result, the recognition of impairment of those fixed assets and provision for onerous contracts was avoided.

Chapter 3 Whether Officers Bear Responsibility for Accounting Misconduct

Section 1 Whether There Was Breach of Duty in Company-Wide Initiatives Aimed at Resolving “Legacy Liabilities”

1 Overview

At Nidec, company-wide initiatives aimed at resolving “Legacy Liabilities,” namely the “Asset Revitalization Project” and “FY22 Structural Reform,” were implemented. In both initiatives, however, disposition policies were established that disregarded the fundamental principles of accounting standards, and as a result of erroneous accounting treatment based on such unlawful

¹⁶ NESJ means Nidec Elesys Corporation, which was merged into NMOJ (Nidec Mobility Corporation) effective April 1, 2025, and NMOJ’s inverter business was succeeded by Nidec through an absorption-type company split effective May 1 of the same year. As a result, AMEC took over the inverter business.

policies being carried out throughout the Group, the disposal of a very large number of “Legacy Liabilities” was deferred, ultimately leading to the present restatement of financial results (including the recognition of substantial impairment losses and other losses).

The disposition policy established by Nidec gave top priority to achieving performance targets (operating profit) and permitted the disposal of “Legacy Liabilities” only to the extent that such targets were achieved, thereby reversing the basic principles and concepts of accounting. Under normal accounting treatment, if an asset shows indications of impairment, an impairment determination is made and the amount of impairment loss to be recognized is determined, and performance (operating profit) becomes known on that basis. At Nidec, however, the amount of performance (operating profit) to be achieved was determined first, and the assets subject to impairment treatment and similar treatment were then determined by reverse calculation from that amount. Where deferral was absolutely impossible (that is, where a finding in the accounting audit was expected to be unavoidable), the item was disposed of under the label of structural reform expenses.

The actual state of accounting misconduct at Nidec was that the top management (Mr. Nagamori and Mr. Kobe) had such an erroneous view regarding accounting treatment, that the CFOs who should have corrected it (Mr. Akira Sato and Mr. D) instead gave priority to the intentions of top management and formulated and implemented erroneous disposition policies regarding “Legacy Liabilities,” and that successive later Representative Directors and Presidents (Mr. Yoshimoto, Mr. Seki and Mr. Kishida) and full-time corporate auditors (Mr. Murakami and Mr. Ochiai) likewise failed to correct those policies, resulting in the disposal of “Legacy Liabilities” being deferred over many years.

Accordingly, even without considering whether unlawful accounting treatment was carried out in individual accounting misconduct cases, the above directors and vice presidents are each found to have breached their duties by formulating and continuing such erroneous disposition policies in these company-wide initiatives.

2 “Asset Revitalization Project”

At the time the “Asset Revitalization Project” was launched (from November 2016 through 2017), Mr. Akira Sato (CFO), who led the project, and Mr. Nagamori and Mr. Kobe, who had received reports from the project team on the status of “Legacy Liabilities” and the specific details of the disposition policy, are found to have recognized that the disposition policy in that project did not conform to accounting standards, yet to have decided upon and accepted it, and therefore breach of duty is found.

With respect to Mr. Katayama and Mr. Miyabe, the Committee finds that they were aware of the

“Asset Revitalization Project” because they received reports on it at executive meetings. However, Mr. Katayama was in the position of CTO and Mr. Miyabe was the executive general manager of SPMS (Small Platform Motor & Solutions Business Unit), and it may be considered unavoidable that they relied on the CFO and did not undertake a detailed review of the propriety of the disposition policy for “Legacy Liabilities.” Accordingly, the Committee was unable to conclude that they had breached their duties.

Mr. Yoshimoto and Mr. Seki, who subsequently became Representative Director and President, received reports on the status of disposing of “Legacy Liabilities” in the “Asset Revitalization Project” and, although they were able to recognize that the disposition policy in the project did not conform to accounting standards, failed to correct it. They are therefore found to have breached their duties.

Mr. Murakami and Mr. Ochiai, as full-time corporate auditors, received reports on the “Asset Revitalization Project” and also on accounting misconduct cases occurring frequently within the Group. Although they were able to recognize that the disposition policy in the project did not conform to accounting standards, they failed to correct it. They are therefore found to have breached their duties.

With respect to outside directors (including Audit and Supervisory Committee members) and outside corporate auditors, no evidence was found showing that they recognized (or were able to recognize) the specific content of the disposition policy in the “Asset Revitalization Project,” and therefore the Committee was unable to conclude that they had breached their duties.

3 “FY22 Structural Reform”

Mr. D, who examined the disposition policy in “FY22 Structural Reform,”¹⁷ and Mr. Nagamori and Mr. Kobe, who received reports on it, recognized that the policy was contrary to the principles of accounting standards in that it reverse-calculated structural reform expenses (expenses to be allocated to impairment losses and the like) from the operating profit to be achieved, and they are therefore found to have breached their duties.

Mr. Seki retired as a director in September 2022 and was not involved in the examination of “FY22 Structural Reform”; accordingly, breach of duty is not found.

¹⁷ In the course of considering “FY22 Structural Reform,” Mr. D considered the disposition policy while closely coordinating with Mr. E, the CPO, and also reported to the executive general managers of each business unit, including Mr. Kishida, executive general manager of AMEC, and Mr. C, executive general manager of SPMS and Group Company Business. They are recognized as having been aware of the content of the disposition policy for “FY22 Structural Reform.” However, because they were vice presidents, not directors, they did not owe the duty of supervision and did not bear accounting-related responsibilities as vice presidents, and therefore they were excluded from the scope of investigation.

Mr. Kishida recognized, based on reports and consultations from Mr. D, that the disposition policy in “FY22 Structural Reform” was contrary to the principles of accounting standards. After assuming office as Representative Director in June 2024, he had a duty to investigate and correct the disposition of items that had been placed into disposition in a planned manner under the disposition policy in “FY22 Structural Reform,” but failed to do so. Accordingly, breach of duty is found with respect to his conduct after becoming Representative Director.

Although Mr. Murakami and Mr. Ochiai, as full-time Audit and Supervisory Committee members, received certain reports on “FY22 Structural Reform” from the first quarter of FY2023 onward (including progress reports on disposition in a planned manner), and also received an explanation from Mr. D at the Audit and Supervisory Committee in October 2023, it is unclear what specific explanation they received, and no other evidence has at this time been found in the Committee’s investigation showing that they received an explanation of the disposition policy in “FY22 Structural Reform.” Accordingly, the Committee was unable to conclude that they had breached their duties with respect to “FY22 Structural Reform.”

With respect to outside directors (including Audit and Supervisory Committee members), no evidence was found showing that they recognized (or were able to recognize) the specific content of the disposition policy in “FY22 Structural Reform” and therefore the Committee was unable to conclude that they had breached their duties.

Section 2 Whether There Was Breach of Duty in Individual Accounting Misconduct Cases

1 Accounting Misconduct at NPCJ

(1) Project Z-1

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

With respect to the manufacturing equipment for Project Z-1, indications of impairment existed no later than the end of the fiscal year ended March 31, 2017, and an impairment test should therefore have been conducted and an impairment loss recognized. Nevertheless, neither an impairment test was conducted nor an impairment loss was recognized.

(ii) Whether There Was Breach of Duty

Mr. Akira Sato, as CFO; Mr. Katayama and vice president Mr. C¹⁸, who as directors of NPCJ had received reports that repurposing of the Z-1 equipment had not progressed; and Mr. Nagamori, who was not a director of NPCJ but attended NPCJ management meetings and received reports, and also received reports concerning the Z-1 equipment in the “special audits,” all recognized the fact that the budgeted operating profit in Project Z-1 had deteriorated significantly, and each recognized, or at least could have recognized, indications of impairment in the equipment. Accordingly, each is found to have breached his duties.

With respect to Mr. Miyabe, although a certain degree of involvement is recognized in his capacity as executive general manager of SPMS, the Committee found no evidence that he received an explanation enabling him clearly to recognize that appropriate impairment treatment was not being carried out in Project Z-1, and therefore the Committee was unable to conclude that he had breached his duty.

As for the full-time corporate auditors (Mr. Murakami and Mr. Ochiai), the Committee found no evidence that they received an explanation enabling them to recognize problems with the accounting treatment in Project Z-1, and therefore the Committee was unable to conclude that they had breached their duties.

With respect to outside directors and outside corporate auditors, breach of duty is not found.

(2) Project X/Y

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

With respect to the equipment relating to Project X/Y, there were indications of impairment in the third quarter of FY2016, and an impairment test should therefore have been conducted and an impairment loss recognized. Nevertheless, neither an impairment test was conducted nor an impairment loss was recognized.

(ii) Whether There Was Breach of Duty

Mr. Akira Sato, as CFO; Mr. Katayama and vice president Mr. C, who as directors of NPCJ had received reports that repurposing of the equipment relating to Project X/Y had not progressed; Mr. Nagamori, who was not a director of NPCJ but attended NPCJ management meetings and received reports, and also received reports on Project X/Y in the “special audit” and in reports on the “Asset

¹⁸ Mr. C was a vice president at Nidec headquarters and therefore did not, in that capacity, owe the duty of supervision, but as a director of NPCJ he owed the duty of supervision, and that duty is understood to be included within his responsibilities as a vice president. Accordingly, with respect to accounting misconduct at NPCJ, a breach of duty as a vice president is recognized.

Revitalization Project”; and Mr. Kobe, who, on instructions from Mr. Nagamori, was involved in Project X/Y and recognized in progress reports on the “Asset Revitalization Project” that repurposing of the equipment relating to Project X/Y had not progressed, all recognized the fact that the order for Project X/Y had been lost, and each recognized, or at least could have recognized, indications of impairment in the equipment relating to Project X/Y. Accordingly, each is found to have breached his duties.

With respect to Mr. Miyabe, the full-time corporate auditors (Mr. Murakami and Mr. Ochiai), outside directors, and outside corporate auditors, the same applies as in Project Z-1.

(3) Technical Support Case

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

The Technical Support Case involved the recognition of revenue and tangible fixed assets in the second quarter of FY2016, even though neither should have been recognized.

(ii) Whether There Was Breach of Duty

Mr. Akira Sato and Mr. C, who were involved in the measure to inflate profit at NPCJ using a service agreement lacking economic substance, are each found to have breached their duties.

With respect to the other directors (Mr. Nagamori, Mr. Kobe, Mr. Katayama and Mr. Miyabe) and the full-time corporate auditors (Mr. Murakami and Mr. Ochiai), the Committee finds that it would have been difficult for them to recognize problems in the accounting treatment, and therefore the Committee was unable to conclude that they had breached their duties.

With respect to outside directors and outside corporate auditors, breach of duty is not found.

2 Accounting Misconduct at AMEC

(1) NAMA Case

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

In the NAMA Case, the existence of a large amount of overdue receivables came to light, and a loss allowance (provision for doubtful accounts) should have been recognized in the fiscal year ended March 31, 2025. Nevertheless, it was not recognized.

(ii) Whether There Was Breach of Duty

The directors (Mr. Nagamori, Mr. Kobe and Mr. Kishida) and the vice president responsible for accounting treatment (Mr. D), who recognized, or could readily have recognized, the circumstances in which, despite the need to recognize a loss allowance for NAMA's overdue receivables no later than the fiscal year ended March 31, 2025, the recording of structural reform expenses was abandoned and disposition was deferred to the following fiscal year and thereafter, are found to have breached their duties.¹⁹

As for the full-time Audit and Supervisory Committee members (Mr. Murakami and Mr. Ochiai), even through the Committee's investigation it has not become clear to what extent they recognized the circumstances in which structural reform expenses came to be foregone in the fiscal year ended March 31, 2025, and therefore the Committee was unable to conclude that they had breached their duties.

With respect to outside directors (including Audit and Supervisory Committee members), breach of duty is not found.

(2) Traction Case

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

In the Traction Case, although an impairment test was conducted because indications of impairment were recognized, the business plan used in the course of that test was not based on reasonable and supportable assumptions. Accordingly, an impairment loss should originally have been recognized in the fiscal year ended March 31, 2025, but was not recognized.

(ii) Whether There Was Breach of Duty

The directors (Mr. Nagamori, Mr. Kobe and Mr. Kishida) and the vice president Mr. D, who recognized, or could readily have recognized, the circumstances in which, despite the need to recognize an impairment loss in the traction motor business in the fiscal year ended March 31, 2025, the recording of structural reform expenses was abandoned and disposition was deferred to the following fiscal year, are found to have breached their duties.

¹⁹ With respect to Mr. E, he closely coordinated with Mr. Kishida and Mr. D and participated in discussions on the disposition of "Legacy Liabilities" affecting performance. If Mr. E had been a director, it is clear that his conduct would have constituted breach of duty in each of the NAMA, Traction, and Inverter Cases. However, because Mr. E was a vice president and did not bear accounting-related responsibilities, the Committee did not make him a subject of investigation.

As for the full-time Audit and Supervisory Committee members (Mr. Murakami and Mr. Ochiai) and outside directors (including Audit and Supervisory Committee members), the same applies as in the NAMA Case.

(3) Inverter Case

(i) Relationship to the Accounting Treatment That Should Originally Have Been Applied

In the Inverter Case, an impairment loss and a provision for onerous contracts should have been recognized in the fiscal year ended March 31, 2025, but were not recognized.

(ii) Whether There Was Breach of Duty

Mr. Kishida, who, while recognizing that false explanations had been given to the accounting auditor regarding facts having a material impact on whether an impairment loss needed to be recognized for the AMEC inverter business in the fiscal year ended March 31, 2025, took no measures whatsoever to avoid or correct the unlawful accounting treatment; and Mr. D, who, while fully recognizing both that circumstances were such that an impairment loss might need to be recognized in the fiscal year ended March 31, 2025 and that accounting personnel were handling matters relating to the impairment test based on false explanations and the like, failed to correct this, are found to have breached their duties.

On the other hand, with respect to Mr. Nagamori and Mr. Kobe, it cannot be found that they had an opportunity to recognize that an impairment loss should have been recognized for the AMEC inverter business in the fiscal year ended March 31, 2025, and therefore breach of duty is not found.

With respect to the full-time Audit and Supervisory Committee members (Mr. Murakami and Mr. Ochiai) and outside directors (including Audit and Supervisory Committee members), breach of duty is not found.

Section 3 Legally Sufficient Causal Relationship Between Officers' Breach of Duty and Damages

1 Damages Incurred by Nidec

As a result of this matter coming to light, Nidec established the Third-Party Committee and conducted an investigation, corrected its annual securities reports, and was also assessed Listing Agreement Violation Penalties by the Tokyo Stock Exchange, Inc.

Accordingly, during the period from August 2025 through August 2026, Nidec bore: (i) investigation costs; (ii) audit costs; and (iii) Listing Agreement Violation Penalties, as set forth below (these costs are collectively referred to hereinafter as the “Investigation Costs, etc.”).

Item	Amount
Investigation costs	22,207,198,462 yen
Audit costs	5,335,082,399 yen
Listing Agreement Violation Penalties	91,200,000 yen

2 Whether There Is a Legally Sufficient Causal Relationship Between the Breach of Duty of Each Director / Corporate Auditor and the Investigation Costs, etc.

(1) Directors / Corporate Auditors for Whom Breach of Duty Is Found with Respect to Company-Wide Initiatives Aimed at Resolving “Legacy Liabilities”

Within the Nidec Group, “Legacy Liabilities” resulting from inappropriate accounting treatment had accumulated over many years at various bases throughout the Group, and company-wide initiatives were undertaken to resolve those “Legacy Liabilities” issues, namely the “Asset Revitalization Project,” which started at the end of 2016, and “FY22 Structural Reform,” the examination of which began at the end of 2022.

However, in the “Asset Revitalization Project,” “Legacy Liabilities” were classified into high-, medium-, and low-risk categories according to Nidec’s own criteria, and only high-risk assets were disposed of early, while medium- and low-risk assets were to be disposed of only to the extent consistent with achieving performance targets (operating profit) (self-funding). As a result, even items that should have been resolved immediately were deferred in favor of achieving performance targets.

Similarly, in “FY22 Structural Reform,” priority was placed on securing JPY 100 billion in full-year operating profit, a cap was set on the amount to be disposed of, “Legacy Liabilities” were disposed of only within that cap, and items falling outside that cap were placed into disposition in a planned manner in the following fiscal year and thereafter, to be disposed of only to the extent consistent with achieving performance targets (operating profit). As a result, disposition did not progress and was deferred.

As described above, Nidec’s initiatives aimed at resolving “Legacy Liabilities” were consistently pursued under a policy of permitting disposition only to the extent consistent with achieving performance targets (operating profit), and this disposition policy had been thoroughly disseminated within the Group as if it were Nidec’s own financial reporting system. As a result, “Legacy

Liabilities” within the Nidec Group remained undisposed and accumulated, while also generating new “Legacy Liabilities,” ultimately leading to the present restatement of financial results (including the recognition of substantial impairment losses and other losses), and making it necessary for Nidec to respond by incurring substantial Investigation Costs, etc.

Moreover, the Committee finds that it was sufficiently foreseeable that adopting the disposition policies in the “Asset Revitalization Project” or “FY22 Structural Reform” would eventually lead to extremely large-scale accounting misconduct such as that seen in the present case. For example, Mr. B, who had proposed the “Asset Revitalization Project,” had concerns about the disposition policy being considered in that project and foresaw that it would become a major scandal.

In light of the foregoing, a legally sufficient causal relationship is recognized between each person’s breach of duty and the Investigation Costs, etc. with respect to the directors (Mr. Nagamori, Mr. Kobe, Mr. Akira Sato, Mr. Yoshimoto, Mr. Seki and Mr. Kishida), the full-time corporate auditors (Mr. Murakami and Mr. Ochiai), and the vice president responsible for accounting treatment (Mr. D), each of whom determined, operated, or failed to correct disposition policies not in conformity with accounting standards in the “Asset Revitalization Project” and “FY22 Structural Reform.”

- (2) Directors / Corporate Auditors for Whom Breach of Duty Is Found with Respect to Individual Accounting Misconduct Cases
 - (i) Accounting Misconduct at NPCJ

The accounting misconduct cases at NPCJ form only part of the many accounting misconduct cases within the Nidec Group that make up this matter, and therefore it cannot be said that such breach of duty had no impact whatsoever on the present restatement of financial results.

However, in light of the timing and monetary scale of the above accounting misconduct cases at NPCJ, the impact of the deferral of impairment recognition resulting from those accounting misconduct cases on the present restatement of financial results (including the recognition of substantial impairment losses and other losses) was not particularly large, nor can it be concluded that it was foreseeable that overlooking such individual accounting misconduct would lead to large-scale accounting misconduct throughout the Group as seen in the present case.

Accordingly, Mr. Nagamori, Mr. Kobe, Mr. Katayama, Mr. Akira Sato and Mr. C, who are found to have breached their duties with respect to accounting misconduct at NPCJ, do not bear liability for damages based on that breach of duty.

Therefore, with respect to Mr. Katayama and Mr. C, for whom breach of duty is found only in relation to accounting misconduct at NPCJ, liability for damages is not recognized in connection with this matter.

(ii) Accounting Misconduct at AMEC

The accounting misconduct cases at AMEC were carried out in the fiscal year ended March 31, 2025, and in light of their monetary scale, a legally sufficient causal relationship is recognized between those cases and the Investigation Costs, etc.

Accordingly, Mr. Nagamori, Mr. Kobe, Mr. Kishida and Mr. D, who are found to have breached their duties with respect to accounting misconduct at AMEC, also bear liability for damages based on that breach of duty.

(3) Scope of Damages Having a Legally Sufficient Causal Relationship

The matters investigated by the Committee were: (i) the formulation and implementation of policies for company-wide initiatives to address “Legacy Liabilities,” namely the “Asset Revitalization Project” and “FY22 Structural Reform”; and (ii) the handling of individual accounting misconduct cases at NPCJ and AMEC. The degree to which each matter affected the present restatement of financial results varies, and so too does the degree of involvement of each director and corporate auditor in each matter. Some persons, such as Mr. Nagamori and Mr. Kobe, are found to have breached their duties in most of the matters investigated, while for others, such as Mr. Akira Sato, involvement is limited to the “Asset Revitalization Project” and accounting misconduct at NPCJ, and for Mr. Kishida and Mr. D, involvement is limited to “FY22 Structural Reform” and accounting misconduct at AMEC, depending on the periods during which they served as officers. For others, such as Mr. Yoshimoto, Mr. Seki, Mr. Murakami and Mr. Ochiai, only their failure to take corrective action after the fact is at issue.

As described above, because the matters in which breach of duty is found differ by director and corporate auditor in this case, and because the impact on the accounting misconduct in question also differs, the scope of damages for which a legally sufficient causal relationship is recognized with each individual director’s or corporate auditor’s breach of duty should likewise differ according to the degree of contribution.

However, it is difficult for the Committee to determine the extent of damages on a proportionate basis in accordance with contribution of each director and corporate auditor, and the Committee considers that this issue should ultimately be left to the court in any action to pursue such liability.

3 Conclusion

For the reasons set forth above, the Committee considers that the following persons are subject to liability for damages under the Companies Act or liability for damages based on breach of duty as vice presidents (provided, however, that the scope of such damages should be determined according to the degree of contribution).

- Mr. Nagamori / Mr. Kobe / Mr. Akira Sato / Mr. Yoshimoto / Mr. Seki / Mr. Kishida: Liability for damages under Article 423, Paragraph 1 of the Companies Act
- Mr. Murakami / Mr. Ochiai: Liability for damages under Article 423, Paragraph 1 of the Companies Act
- Mr. D: Liability for damages under Articles 644 and 415, Paragraph 1 of the Civil Code of Japan, or under the Vice President Regulations

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