

Status of Initiatives Toward Nidec Reform

1. **Regarding the Publication of the Investigation Report by the Executive Responsibility Investigation Committee and the Decision on Filing Suit**
2. **Regarding the Submission of the Written Confirmation of Internal Management System**
3. **Regarding the Audit Opinion**
4. **Future Initiatives**

October 28, 2026
Nidec Corporation

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— Cautionary Statement —

- This presentation and the responses during the subsequent question-and-answer session contain forward-looking statements, expectations, judgments, plans, or strategies.
- These forward-looking statements and descriptions are subject to various risks and uncertainties, including exchange rate fluctuations, changes in demand for products, development and production capabilities of various motors, performance of affiliated companies, and other factors.
- All forward-looking statements and remarks contained in this presentation and in the answers during the subsequent question and answer session are based on information available as of the date of the presentation, and we undertake no obligation to update such forward-looking statements or remarks except as required by law.
- Furthermore, these statements and remarks do not guarantee future performance, and actual results may differ materially from our current expectations.
- Such differences may be caused by numerous factors.
- Please refer to the descriptions in our continuous disclosure and timely disclosure materials, etc. for these factors and risks.

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1. Regarding the Publication of the Investigation Report by the Executive Responsibility Investigation Committee and the Decision on Filing Suit

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Key Points in the Investigation Report



1. Scope of Investigation

- Whether or not directors (excluding Audit and Supervisory Committee members) have liability for damages
- Whether or not audit and supervisory board members and Audit and Supervisory Committee members have liability for damages
- Whether or not vice presidents, who are deemed to require particular examination in light of their business content and concurrent positions as subsidiary officers, have liability for damages

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Key Points in the Investigation Report



2. Conclusions of the Investigation Report

Liability for damages is recognized for the following nine individuals.

(However, the scope of damages should be determined according to the degree of contribution)

Subject Persons	Legal Basis for Recognition of Liability for Damages
Six Former Directors	Companies Act of Japan, Article 423, Paragraph 1
Two Former Audit & Supervisory Board Members/Audit and Supervisory Committee Members	Companies Act of Japan, Article 423, Paragraph 1
One Former Vice President (former CFO)	Civil Code of Japan, Articles 644 and 415, Paragraph 1, or Nidec's Vice President Regulations

3. Damages Incurred by Nidec (August 2025 to August 2026)

Amount of damages (August 2025 to August 2026)	Breakdown
Approximately 27.6 billion yen (27,633,480,861 yen)	Investigation costs, audit costs and listing agreement violation penalty fees

* Please note that the amount of damages may increase in the future.

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Decision on Filing a Lawsuit



At the Board of Directors and Audit and Supervisory Committee meeting dated October 27, it was resolved to file a suit for damages against officers whose liability has been acknowledged, as follows:

Name	Cause of Action
Mr. Shigenobu Nagamori	Claim for damages based on Article 423, Paragraph 1 of the Companies Act of Japan
Mr. Hiroshi Kobe	Same as above
Mr. Akira Sato	Same as above
Mr. Hiroyuki Yoshimoto	Same as above
Mr. Jun Seki	Same as above
Mr. Mitsuya Kishida	Same as above
Mr. Kazuya Murakami	Same as above
Mr. Hiroyuki Ochiai	Same as above
Former Vice President (Former CFO)	Claim for damages based on Articles 644 and 415, Paragraph 1 of the Civil Code of Japan, or Nidec's Vice President Regulations

*Regarding violations of distributable amount regulations, since the distributable amounts for prior years remained undetermined up to the submission of the report of the Executive Responsibility Investigation Committee, Nidec will examine necessary legal actions and respond promptly after completing the correction of past fiscal years' financial statements.

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Investigation Report (Public Version) Page 223 Summary

At Nidec, the following circumstances exist, and **corporate accounting (accounting standards) and the accounting audit system have been disregarded.**

- ① **Matters that should be strictly handled in accordance with accounting standards, such as impairment losses and provisions, are processed according to the achievement of profit targets**
- ② **The Company held a mistaken perception of the accounting audit system for many years**
 - Attempting to have the accounting auditor approve or tacitly accept accounting treatments that deviate from accounting standards
 - Attempting to postpone expense recognition through explanations containing false information, etc.
 - Holding the audit firm responsible when errors in accounting treatment are discovered, etc.



We solemnly acknowledge the above items pointed out and will further promote fundamental reforms of our corporate culture in order to restore trust from society.

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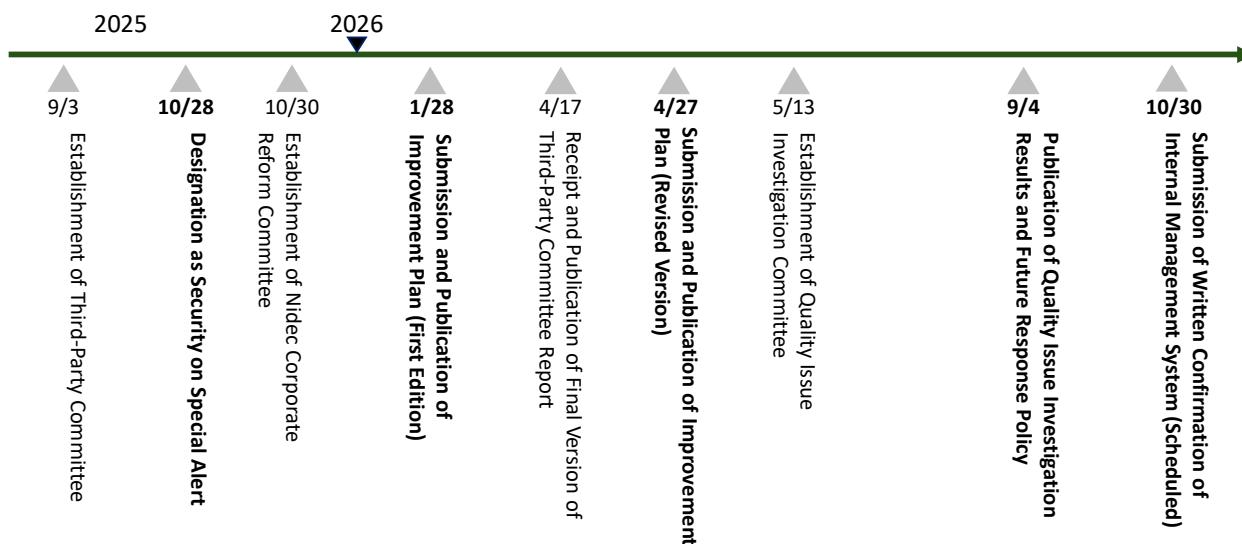
2. Regarding the Submission of the Written Confirmation of Internal Management System

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Background of Efforts Toward Improvement of the Internal Control System



Since the designation as a security on special alert, the Company has been appropriately implementing and operating necessary improvement measures toward fundamental reforms of its internal management system and plans to submit a Written Confirmation of Internal Management System to the Tokyo Stock Exchange on October 30.



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Overall Picture of Initiatives for Improving the Internal Management System



For company-wide reforms, we are implementing and operating necessary improvement measures in each area of culture, system, and process. In parallel, we have also established management and control functions for each field of accounting, customs, and quality.

Company-wide Reforms - Reconstruction of Internal Management System

Culture

Corporate culture emphasizing compliance

Establishment of promotion organizations, dialogue with management, training by hierarchical level, improvement of internal whistleblowing systems, etc.

System

Establishment of management oversight and control functions

Board of Directors' supervision, independence of accounting departments, strengthening of group governance, etc.

Process

Prevention and detection of inappropriate conduct

Business planning and budget-to-actual management, accounting policies, establishment and operation of internal audits and monitoring, etc.

Measures in Each Field - Implementation of Recurrence Prevention Mechanisms

Accounting

- Personnel measures for involved executives and employees
- Independence of accounting functions and financial reporting
- Reconstruction of processes, etc.

Customs

- Reorganization of trade management responsibilities, reporting systems, and regulations
- Introduction of corrective procedures and implementation of company-wide training, etc.

Quality

- Independence and authority enhancement of the quality assurance department
- Restructuring of the reporting system
- Introduction of quality audits, etc.

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3. Regarding the Audit Opinion

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Basis for Disclaimer of Opinion and Responses



The matters that formed the basis for the disclaimer of opinion in the audit report on the Annual Securities Report for the fiscal year ended March 31, 2026, disclosed on September 30, are as follows, and as of October 28, the status of responses to these matters is as follows.

	Basis for Disclaimer of Opinion on September 30	Status of Response as of October 28
① Responses regarding Involvement/ Eligibility	- Investigation of involvement in improper accounting and reassignment of those identified as involved were <u>partially incomplete</u>. - Verification of the eligibility of signatories to the Management Representation Letters was <u>partially incomplete</u>.	- Incomplete items as of September 30 have been <u>completed</u>. <u>Additional tasks requested by the auditor after September 30 is partially incomplete.</u> (*Details on the next page)
② Recognition of Impairment losses, etc.	- Audit evidence regarding the recorded amount period allocation for impairment losses of certain CGUs was <u>not fully obtained</u>. - In relation to the above, audit evidence regarding valuation losses on shares of subsidiaries and affiliates in the non-consolidated financial statements was <u>not fully obtained</u>.	- Materials and explanations supporting the accounting treatment of impairment losses and valuation losses on shares of subsidiaries and affiliates for FY2025 have been <u>reported to the auditor</u>. - With regard to prior fiscal years, <u>discussions with the auditor are ongoing</u>.

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Response regarding Involvement/Eligibility since September 30



Following September 30, additional matters requiring confirmation were identified by the auditor; accordingly, to ensure the reliability of financial reporting, the Company has expanded the scope and subjects of confirmation and continues to implement additional procedures.

Timing of Occurrence/Request	Response status as of October 28	Overview of Tasks
Outstanding Items as of September 30	Reported the results of the Company's procedures to the auditor on Oct. 27	Evaluation of 77 candidates for signatories to Management Representation Letters, reassignment of heads of accounting, and verification of successors' eligibility
Additional tasks from October 10	Reported the results of the Company's procedures to the auditor on Oct. 27	Re-verification of financial reporting processes involving 20 individuals, including those identified as involved in misconduct and those selected through eligibility verification of candidate signatories to the Management Representation Letter
Requested by the auditor on October 8	Reported the results of the Company's procedures to the auditor on Oct. 27	Digital forensics for 8 current officers (as of Oct. 8)
Requested by the auditor on October 19	Scheduled to report the results of the Company's procedures to the auditor in November	Email screening and other procedures for candidates who were subject to additional confirmation requests from the auditor, among the 252 candidate signatories to the Management Representation Letter

*Grayed-out items indicate tasks completed by the Company

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Upcoming Events



The implementation of improvement measures is steadily progressing, and the Company will submit the Written Confirmation of Internal Management System to TSE on October 30. Taking the disclaimer of opinion seriously, the Company will complete additional procedures in November, and based on the results, further enhance the effectiveness of the internal control system.

October 28 (Today)	<u>Disclosed the "Notice Concerning the Status of Efforts to Resolve the Disclaimer of Opinion"</u> <u>Unable to submit the Amended Annual Securities Report for FY2025</u> accompanied by an audit report with an audit opinion.
October 30	<u>Scheduled to submit the "Written Confirmation of Internal Management System" to TSE</u> based on the Company's assessment that improvement measures have been appropriately established and operated. <u>However, the situation of disclaimer of opinion remains unchanged, and we plan to continue discussions with the auditor thereafter.</u>
From November Onward	<u>Regarding the additional tasks requested by the auditor, the Company plans to complete them by the end of November.</u> However, the timing of the audit completion is currently undetermined.
Miscellaneous	<u>The disclosure schedule for the Q1 and Q2 financial results for FY2026</u> is under consideration. <u>Audit contracts have been concluded with the auditor</u> for the corrective audit for FY2025 and the audit for FY2026.

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4. Future Initiatives

Enhance Organizational foundations

- Strengthening Global Headquarters Functions
 - Development and expansion of CXO function personnel (Accounting, quality, audit, trade, legal, etc.)
- Expansion of Tokyo Base Functions, Regional Headquarters
- Optimization of group bases and entities

Organizational and Cultural Reform

- Design and operation of reliable business promotion processes based on the Improvement Plan
- Organizational culture reform, reconstruction of code of conduct, formulation of new purpose

Reform IT Infrastructure

- Building a robust management foundation supporting sound governance
- Promoting operational efficiency and visualization of management information

Current Status

Decentralized Across Individual Companies

After Improvement

Company-wide Optimization and Efficiency

Forward

October 28th, the Day of Determination

All employees reaffirm our shared commitment
to carry forward the lessons we have learned.

Prioritizing trust above all,
we will move forward with renewed purpose to strengthen our culture
and build a future grounded in integrity and accountability.



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Management Guidelines Towards Reform



Operational Guidelines

- Making a fresh start as a public entity of society
- Thoroughly ensuring quality control, strengthening governance, and complying with compliance regulations
- Becoming a company that contributes to social development through human resource development and manufacturing technology

Business Management Measures

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.**

Oct.1 Press Conference
Repost

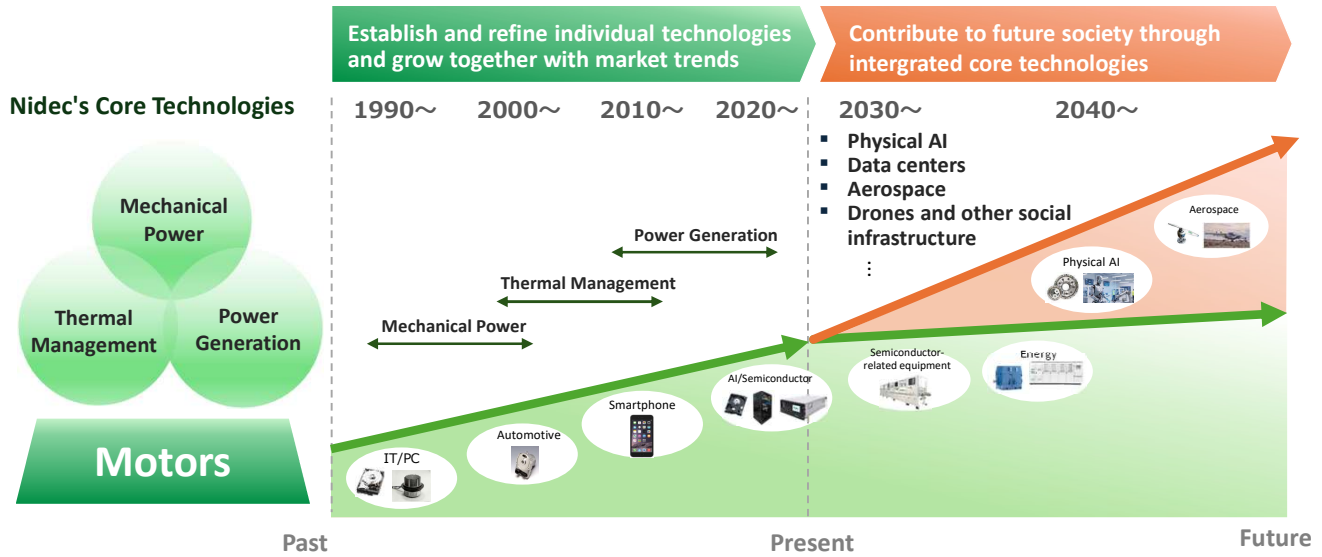
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Aspiration Toward the Future



Harnessing Nidec's comprehensive technology portfolio to address the defining trends of our times, we drive future innovation and build sustainable social infrastructure.



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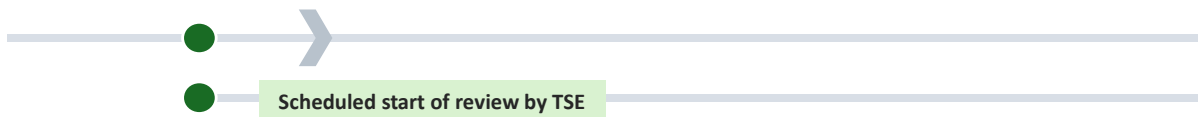
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Upcoming Events



October 30, 2026

From November 2026 onwards



Written Confirmation of Internal Management System

Amended Report

Mid-term Management Plan

Extraordinary General Meeting of Shareholders

- We deeply regret that the situation in which we have not been able to receive an audit opinion from our auditors has continued for an extended period.
- We will make every effort to obtain the audit opinion as soon as possible by providing the necessary documents and audit evidence required by the auditor, as well as engaging in sincere discussions.
- We will unite as one to implement reforms to transform ourselves into a company that prioritizes "doing what is right," and we sincerely ask for your continued support.

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Nidec