

[Translation]

# Annual Securities Report

(The 53rd Business Term)

From April 1, 2025 to March 31, 2026

NIDEC CORPORATION

## CONTENTS

|                                                                                        |     |
|----------------------------------------------------------------------------------------|-----|
| Cover. ....                                                                            | 1   |
| Part I Information on the Company .....                                                | 2   |
| I. Overview of the Company .....                                                       | 2   |
| 1. Key Financial Data .....                                                            | 2   |
| 2. History .....                                                                       | 6   |
| 3. Description of Business .....                                                       | 9   |
| 4. Information on Affiliates .....                                                     | 12  |
| II. Business Overview .....                                                            | 16  |
| 1. Management Policies, Business Environment, and Challenges .....                     | 16  |
| 2. Views and Initiatives on Sustainability .....                                       | 41  |
| 3. Risk Factors .....                                                                  | 52  |
| 4. Management Analysis of Financial Position, Operating Results and Cash Flows .....   | 77  |
| 5. Material Agreements, etc .....                                                      | 86  |
| 6. Research and Development .....                                                      | 88  |
| III. Property, Plant and Equipment .....                                               | 96  |
| 1. Summary of Capital Investment, etc. ....                                            | 96  |
| 2. Major Property, Plant and Equipment .....                                           | 97  |
| 3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc. .... | 100 |
| IV. Information on the Company .....                                                   | 101 |
| 1. Information on the Company's Shares, etc .....                                      | 101 |
| (1) Total number of shares, etc. ....                                                  | 101 |
| (2) Information on the share acquisition rights, etc. ....                             | 101 |
| (3) Information on moving strike convertible bonds, etc. ....                          | 101 |
| (4) Changes in the total number of issued shares, common stock, etc. ....              | 101 |
| (5) Shareholders composition .....                                                     | 102 |
| (6) Major shareholders .....                                                           | 103 |
| (7) Information on voting rights .....                                                 | 106 |
| (8) Officer/employee stock ownership plans .....                                       | 106 |
| 2. Information on Acquisition, etc. of Treasury Stock .....                            | 109 |
| 3. Dividend Policy .....                                                               | 111 |
| 4. Corporate Governance, etc .....                                                     | 112 |
| (1) Overview of Corporate Governance .....                                             | 112 |
| (2) Members of the Board of Directors .....                                            | 121 |
| (3) Audit Status .....                                                                 | 131 |
| (4) Remuneration etc, for members of the Board of Directors .....                      | 136 |
| (5) Status of shares held .....                                                        | 141 |
| 5. Employees .....                                                                     | 145 |
| V. Consolidated Financial Statements and Other Information .....                       | 156 |
| 1. Consolidated Financial Statements .....                                             | 157 |
| 2. Others .....                                                                        | 253 |
| VI. Share-related Administration of the Company .....                                  | 254 |
| VII. Reference Information on the Company .....                                        | 256 |
| 1. Information on Parent Company, etc. of the Company .....                            | 256 |
| 2. Other Reference Information .....                                                   | 256 |
| Part II Information on Guarantors, etc. for the Company .....                          | 257 |
| [Independent Auditors' Report (Translation)] .....                                     | 258 |

Cover

|                                               |                                                                                |
|-----------------------------------------------|--------------------------------------------------------------------------------|
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| [Filed with]                                  | Director-General of the Kanto Local Finance Bureau                             |
| [Filing Date]                                 | September 30, 2026                                                             |
| [Fiscal Year]                                 | The 53rd Business Term (from April 1, 2025 to March 31, 2026)                  |
| [Company Name]                                | Nidec Kabushiki Kaisha                                                         |
| [Company Name in English]                     | NIDEC CORPORATION                                                              |
| [Title and Name of Representative]            | Masayuki Minai, Representative Director, Senior Vice President                 |
| [Address of Head Office]                      | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto                                        |
| [Phone No.]                                   | 075-935-6200                                                                   |
| [Contact Person]                              | Kazuo Nakagawa, Vice President and Acting Chief Financial Officer              |
| [Contact Address]                             | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto                                        |
| [Phone No.]                                   | 075-935-6200                                                                   |
| [Contact Person]                              | Kazuo Nakagawa, Vice President and Acting Chief Financial Officer              |
| [Place Where Available for Public Inspection] | Tokyo Stock Exchange, Inc.<br>(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)      |

This is an English translation of the Annual Securities Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan.

"Part I Information on the Company, II. Business Overview, 3. Risk Factors, 5.Risks for foreign investors" is only included in this English translation of the Annual Securities Report and not included in the original report.

Certain information in "Part I. Information on the Company, V. Consolidated Financial Statements and Other Information" in this document incorporates financial statements prepared in conformity with the International Financial Reporting Accounting Standards ("IFRS Accounting") as issued by the International Accounting Standards Board instead of the English translation of the Annual Securities Report.

The translation of the Independent Auditors' Report for the original Annual Securities Report is included at the end of this document.

In this document, the terms "we", "us", "our" and "NIDEC" refer to Nidec Corporation and consolidated subsidiaries or, as the context may require, Nidec Corporation on a non-consolidated basis and the "Company" refers to Nidec Corporation on a non-consolidated basis.

References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

References in this document to the "Companies Act" are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

# Part I Information on the Company

## I. Overview of the Company

### 1. Key Financial Data

(1) Consolidated financial data, etc.

(Yen in millions, unless otherwise stated)

| Fiscal year                                                                    | IFRS Accounting       |                       |                       |                       |                       |
|--------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                                                | 49th<br>business term | 50th<br>business term | 51st<br>business term | 52nd<br>business term | 53rd<br>business term |
|                                                                                | (Restated)            | (Restated)            | (Restated)            | (Restated)            |                       |
| Year end                                                                       | March 2022            | March 2023            | March 2024            | March 2025            | March 2026            |
| Net sales                                                                      | 1,911,431             | 2,228,801             | 2,341,741             | 2,606,347             | 2,708,705             |
| Profit (loss) before income taxes                                              | 144,300               | (118,308)             | 177,521               | 124,576               | (496,214)             |
| Profit (loss) attributable to owners of the parent                             | 107,398               | (163,826)             | 98,352                | 84,672                | (564,624)             |
| Comprehensive income attributable to owners of the parent                      | 256,783               | (56,172)              | 263,030               | 63,001                | (422,573)             |
| Total equity attributable to owners of the parent                              | 1,153,072             | 1,006,901             | 1,229,548             | 1,239,815             | 794,164               |
| Total assets                                                                   | 2,602,704             | 2,577,791             | 2,847,012             | 2,919,765             | 3,107,621             |
| Total equity per share attributable to owners of the parent (yen)              | 993.58                | 875.94                | 1,069.92              | 1,081.57              | 692.80                |
| Earnings (loss) per share attributable to owners of the parent - basic (yen)   | 91.93                 | (142.32)              | 85.58                 | 73.69                 | (492.55)              |
| Earnings (loss) per share attributable to owners of the parent - diluted (yen) | 91.93                 | (142.32)              | 85.58                 | 73.69                 | (492.55)              |
| Ratio of total equity attributable to owners of the parent to total assets (%) | 44.3                  | 39.1                  | 43.2                  | 42.5                  | 25.6                  |
| Profit ratio of total equity attributable to owners of the parent (%)          | 10.0                  | (15.2)                | 8.8                   | 6.9                   | (55.5)                |
| Price earnings ratio (times)                                                   | 53.0                  | -                     | 35.8                  | 33.8                  | -                     |
| Net cash provided by operating activities                                      | 84,709                | 145,674               | 317,983               | 272,471               | 234,218               |
| Net cash used in investing activities                                          | (105,023)             | (157,148)             | (146,214)             | (135,628)             | (136,238)             |
| Net cash provided by (used in) financing activities                            | (63,672)              | (19,269)              | (182,167)             | (80,387)              | 418,246               |
| Cash and cash equivalents at end of year                                       | 199,673               | 186,110               | 217,022               | 246,254               | 852,204               |
| Number of employees<br>[Separately, average number of temporary employees]     | 114,371<br>[27,977]   | 106,592<br>[21,410]   | 101,112<br>[17,815]   | 104,285<br>[19,464]   | 100,329<br>[21,550]   |

(Notes) 1. Consolidated financial statements have been prepared in accordance with International Financial Reporting Accounting Standards ("IFRS Accounting").

2. Figures shown in yen in millions are rounded to the nearest million.

3. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent".

4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent - basic" and "Total equity per share attributable to owners of the parent", the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

5. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share was calculated on the assumption that the relevant stock split had been implemented as of the beginning of the 49th business term.
6. The price earnings ratios for the 50th and 53rd business term is not presented because loss per share attributable to owners of the parent - basic was recorded.
7. As described in “II. Business Overview, 1. Management Policies, Business Environment, and Challenges” and “V. Consolidated Financial Statements and Other Information, Notes to Consolidated Financial Statements, 43. Additional information (Improper accounting practices and other related matters)”, the Company established the independent Third-Party Committee in accordance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025, and received the investigation report from the Third-Party Committee on February 27, 2026, and the investigation report (supplement) as its final report on April 17 of the same year. In addition, the Company has conducted internal investigations regarding potential quality issues and issues related to trade transactions and tariffs. In these reports, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in the Company and the group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, the Company decided that it was necessary to retroactively correct 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.

## (2) Financial data, etc. of the Company

(Yen in millions, unless otherwise stated)

| Fiscal year                                                                         | 49th<br>business term | 50th<br>business term | 51st<br>business term | 52nd<br>business term | 53rd<br>business term |
|-------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                                                     | (Restated)            | (Restated)            | (Restated)            | (Restated)            |                       |
| Year end                                                                            | March 2022            | March 2023            | March 2024            | March 2025            | March 2026            |
| Net sales                                                                           | 198,247               | 199,194               | 222,185               | 253,398               | 273,452               |
| Ordinary profit                                                                     | 46,019                | 82,055                | 166,998               | 56,657                | 120,030               |
| Net profit                                                                          | 36,705                | 10,783                | 118,578               | 48,888                | (167,003)             |
| Common stock                                                                        | 87,784                | 87,784                | 87,784                | 87,784                | 87,784                |
| Number of issued shares<br>(thousands of shares)                                    | 596,284               | 596,284               | 596,284               | 1,192,569             | 1,192,569             |
| Total net assets                                                                    | 203,690               | 128,185               | 209,742               | 202,984               | 18,976                |
| Total assets                                                                        | 1,377,302             | 1,393,756             | 1,622,538             | 1,709,126             | 1,946,045             |
| Net assets per share (yen)                                                          | 175.52                | 111.51                | 182.51                | 177.08                | 16.55                 |
| Dividends per share (yen)<br>[Of the above, interim dividend<br>per share (yen)]    | 65<br>[30]            | 70<br>[35]            | 75<br>[35]            | 60<br>[40]            | -<br>[-]              |
| Earnings per share - basic (yen)                                                    | 31.42                 | 9.37                  | 103.18                | 42.55                 | (145.69)              |
| Earnings per share - diluted (yen)                                                  | 31.42                 | 9.37                  | 103.18                | 42.55                 | -                     |
| Shareholders' equity ratio (%)                                                      | 14.8                  | 9.2                   | 12.9                  | 11.9                  | 1.0                   |
| Return on equity (%)                                                                | 15.8                  | 6.5                   | 70.2                  | 23.7                  | (150.5)               |
| Price earnings ratio (times)                                                        | 155.1                 | 365.3                 | 29.7                  | 58.6                  | -                     |
| Dividend payout ratio (%)                                                           | 103.4                 | 373.6                 | 36.3                  | 94.0                  | -                     |
| Number of employees<br>[Separately, average number of<br>temporary employees]       | 2,511<br>[108]        | 2,176<br>[61]         | 1,964<br>[37]         | 1,714<br>[25]         | 1,786<br>[61]         |
| Total shareholder return (%)<br>[Comparative index: Dividend-<br>included TOPIX(%)] | 73.0<br>[102.0]       | 52.0<br>[107.9]       | 47.2<br>[152.5]       | 39.3<br>[150.2]       | 31.4<br>[202.2]       |
| Highest share prices in each of the<br>fiscal years (yen)                           | 14,335                | 10,110                | 8,706                 | 8,066<br>*3,311       | 3,296                 |
| Lowest share prices in each of the<br>fiscal years (yen)                            | 8,645                 | 6,145                 | 5,345                 | 5,400<br>*2,480.5     | 1,797                 |

(Notes) 1. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share was calculated on the assumption that the relevant stock split had been implemented as of the beginning of the 49th business term.

Additionally, the dividend per share for the 52nd business term consists of the interim dividend of ¥40.00 and the year-end dividend of ¥20.00, totaling ¥60.00. Taking the aforementioned stock split into account, the interim dividend would be adjusted to ¥20.00, and combined with the year-end dividend of ¥20.00, the annual dividend per share amounts to ¥40.00.

2. The highest and lowest share prices were in regard to the First Section of Tokyo Stock Exchange before April 3, 2022, and changed to the Prime Market of Tokyo Stock Exchange after April 4, 2022, also the (\*) indicate the highest and lowest stock prices after ex-rights due to the stock split.

3. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share - basic" and "Net assets per share" the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

4. As described in “II. Business Overview, 1. Management Policies, Business Environment, and Challenges” and “V. Consolidated Financial Statements and Other Information, Notes to Consolidated Financial Statements, 43. Additional information (Improper accounting practices and other related matters)”, the Company established the independent Third-Party Committee in accordance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025, and received the investigation report from the Third-Party Committee on February 27, 2026, and the investigation report (supplement) as its final report on April 17 of the same year. In addition, the Company has conducted internal investigations regarding potential quality issues and issues related to trade transactions and tariffs. In these reports, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in the Company and the group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, the Company decided that it was necessary to retroactively correct 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.

## 2. History

| Month/Year     | History                                                                                                                                                                                                                         |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July 1973      | Established in Nishikyo-ku, Kyoto.                                                                                                                                                                                              |
| April 1976     | Established Nidec America Corporation in St. Paul, the U.S.                                                                                                                                                                     |
| February 1984  | Established Nidec Torin Corporation (currently, Nidec America Corporation) in Torrington, the U.S.                                                                                                                              |
| October 1984   | Established the Shiga Plant (currently, Shiga Technical Center) in Echigawa-cho (now Aishou-cho), Echi-gun, Shiga.                                                                                                              |
| November 1988  | Listed its stock on the Kyoto Stock Exchange, and the second section of the Osaka Stock Exchange.                                                                                                                               |
| March 1989     | Established Nidec Singapore Pte. Ltd.<br>Took a stake in Shinano Tokki Co., Ltd.                                                                                                                                                |
| August 1990    | Established Nidec Electronics (Thailand) Co., Ltd.                                                                                                                                                                              |
| February 1992  | Established Nidec Motor (Dalian) Ltd. in China.                                                                                                                                                                                 |
| October 1992   | Established Nidec Taiwan Corporation.                                                                                                                                                                                           |
| April 1993     | Established Nidec Electronics GmbH (currently, Nidec Motors & Actuators (Germany) GmbH) in Germany.                                                                                                                             |
| October 1993   | Established Nidec (H.K.) Co., Ltd.                                                                                                                                                                                              |
| February 1995  | Took a stake in Kyoritsu Machinery Co., Ltd. (currently, Nidec Machinery Corporation).<br>Took a stake in Shimpo Industries Co., Ltd. (currently, Nidec Drive Technology Corporation).                                          |
| December 1995  | Established Nidec Philippines Corporation.                                                                                                                                                                                      |
| March 1997     | Took a stake in Tosok Corporation (currently, Nidec Powertrain Systems Corporation).                                                                                                                                            |
| April 1997     | Took a stake in Read Electronics Corporation (currently, Nidec Advance Technology Corporation).                                                                                                                                 |
| May 1997       | Took a stake in Kyori Kogyo Co., Ltd.                                                                                                                                                                                           |
| February 1998  | Took a stake in Copal Co., Ltd. (currently, Nidec Precision Corporation) and Copal Electronics Co., Ltd. (currently, Nidec Components Corporation).                                                                             |
| September 1998 | Listed its stock on the first section of the Tokyo Stock Exchange.<br>Listed its stock anew on the first section of the Osaka Stock Exchange.                                                                                   |
| October 1998   | Established Shibaura Nidec Corporation (currently, Nidec Techno Motor Corporation) through a joint investment with Shibaura Engineering Works Co., Ltd. (currently, Shibaura Mechatronics Corporation) and Toshiba Corporation. |
| April 1999     | Established Nidec Shibaura (Zhejiang) Co., Ltd. (currently, Nidec Techno Motor (Zhejiang) Co., Ltd.) in China.                                                                                                                  |
| December 1999  | Established Nidec Korea Corporation.                                                                                                                                                                                            |
| March 2000     | Took a stake in Y-E Drive Corporation (currently, Nidec Techno Motor Corporation), a subsidiary of YASKAWA Electric Corporation.                                                                                                |
| September 2001 | Listed on the New York Stock Exchange (voluntarily delisted in May 2016).                                                                                                                                                       |
| April 2002     | Established Nidec Motor (Zhejiang) Corporation in China.                                                                                                                                                                        |
| June 2002      | Established Nidec Motor (Dongguan) Co., Ltd. in China.                                                                                                                                                                          |
| April 2003     | Established Nidec (Shanghai) International Trading Co., Ltd. (currently, Nidec (Shanghai) Co., Ltd.) in China.                                                                                                                  |
| May 2003       | Relocated its Head Office to Minami-ku, Kyoto and opened the Central Technical Laboratory.                                                                                                                                      |

| Month/Year     | History                                                                                                                                                          |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| October 2003   | Took a stake in Sankyo Seiki Mfg. Co., Ltd. (currently, Nidec Instruments Corporation).                                                                          |
| October 2005   | Established Nidec Vietnam Corporation.                                                                                                                           |
| February 2006  | Established Nidec Automobile Motor (Zhejiang) Corporation in China.                                                                                              |
| December 2006  | Established Nidec Motors & Actuators by acquiring the motor and actuator business of Valeo S.A. (currently, Nidec Motors & Actuators), a French company.         |
| February 2007  | Acquired Brilliant Manufacturing Ltd. of Singapore (currently, Nidec Component Technology Co., Ltd.).                                                            |
| April 2007     | Took a stake in Japan Servo Co., Ltd. (currently, Nidec Advanced Motor Corporation).                                                                             |
| January 2010   | Acquired the home appliance motor business of Appliances Components Companies S.p.A. of Italy. Started Nidec Sole Motor Corporation S.R.L.                       |
| February 2010  | Acquired SC Wado Co., Ltd. in Thailand (currently, Nidec Die-casting Thailand Co., Ltd.).                                                                        |
| September 2010 | Established Nidec Motor Corporation by acquiring the motors & controls business of Emerson Electric Co. of the U.S.                                              |
| October 2010   | Established Nidec Motor (Shaoguan) Limited (currently, Nidec Motor (Shaoguan) Co., Ltd.) in China.                                                               |
| December 2010  | Established Nidec India Private Ltd.                                                                                                                             |
| July 2011      | Took a stake in SANYO Seimitsu Corporation, a subsidiary of SANYO Electric Co., Ltd.                                                                             |
| December 2011  | Established Nidec Precision Malaysia Sdn. Bhd. in Malaysia.                                                                                                      |
| March 2012     | Established SC Wado Component (Cambodia) Co., Ltd. (currently, Nidec Die-casting (Cambodia) Co., Ltd.) in Cambodia.                                              |
| April 2012     | Nidec-Shimpo Corporation (currently, Nidec Drive Technology Corporation) acquired the Minster Machine Company (currently, Nidec Minster Corporation) of the U.S. |
| May 2012       | Acquired Ansaldo Sistemi Industriali S.p.A. (currently, Nidec ASI S.p.A.) of Italy.                                                                              |
| June 2012      | Opened Nidec Research and Development Center (currently, Nidec Shinkawasaki Technology Center), Japan.                                                           |
| September 2012 | Acquired Avtron Industrial Automation, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.                                                     |
| October 2012   | Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired SCD Co., Ltd. of Korea.                                                             |
| November 2012  | Acquired Kinetek Group Inc. of the U.S.                                                                                                                          |
| December 2012  | Took a stake in Jiangsu Kaiyu Auto Appliance (currently, Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.) of China.                                                |
| January 2014   | Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired Mitsubishi Materials C.M.I. Corporation (currently, Nidec Material Corporation).    |
| March 2014     | Acquired Honda Elesys Co., Ltd. (currently, Nidec Elesys Corporation).                                                                                           |
| February 2015  | Acquired Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt (currently, NIDEC GPM GmbH) of Germany.                                                                    |
| May 2015       | Acquired Motortecnica s.r.l. of Italy.                                                                                                                           |
| July 2015      | Acquired SR motor drive business of China Tex Mechanical & Electrical Engineering Ltd. (currently, Nidec (Beijing) Drive Technologies Co., Ltd.) of China.       |
| August 2015    | Acquired Arisa, S.A. (currently, Nidec Arisa, S.L.U.) of Spain.                                                                                                  |
| September 2015 | Acquired KB electronics, Inc. of the U.S.                                                                                                                        |
|                | Acquired business assets of E.M.G. Elettromeccanica S.r.l. of Italy.                                                                                             |
|                | Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired PT. NAGATA OPTO INDONESIA.                                                          |

| Month/Year    | History                                                                                                                                                                                                                                  |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 2016      | Acquired E.C.E. S.r.l. of Italy.<br>Acquired ANA IMEP S.A. (currently, Nidec Global Appliance Romania S.A.) of Romania.                                                                                                                  |
| December 2016 | Acquired Canton Elevator, Inc. of the U.S.                                                                                                                                                                                               |
| January 2017  | Acquired Emerson Electric Co.'s motors, drives and electric power generation businesses of the U.S.                                                                                                                                      |
| March 2017    | Acquired Vamco International, Inc. of the U.S.                                                                                                                                                                                           |
| July 2017     | Acquired LGB Elettropompe S.r.l. of Italy.                                                                                                                                                                                               |
| October 2017  | Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) succeeded the business of Tokyo Maruzen Industry Co., Ltd.<br>Nidec-Read Corporation (currently, Nidec Advance Technology) acquired SV Probe Pte. Ltd. of Singapore. |
| November 2017 | Acquired driveXpert GmbH of Germany (currently, Nidec driveXpert GmbH).                                                                                                                                                                  |
| February 2018 | Nidec Center for Industrial Science and Technology (currently, Nidec Keihanna Technology Center) opened its new building in Seika-cho, Soraku-gun, Kyoto.                                                                                |
| April 2018    | Acquired Genmark Automation, Inc. of the U.S.                                                                                                                                                                                            |
| May 2018      | Established the joint venture company Nidec PSA emotors S.A. with Groupe PSA of France.                                                                                                                                                  |
| July 2018     | Acquired CIMA S.p.A. of Italy.                                                                                                                                                                                                           |
| August 2018   | Acquired MS-Graessner GmbH & Co. KG of Germany.                                                                                                                                                                                          |
| November 2018 | Took a stake in Chaun-Choung Technology Corp (currently, Nidec Chaun-Choung Technology Corporation) of Taiwan.                                                                                                                           |
| February 2019 | Acquired Systeme + Steuerungen GmbH of Germany.                                                                                                                                                                                          |
| March 2019    | Acquired DESCH Antriebstechnik GmbH & Co. KG (currently, Nidec DESCH Antriebstechnik GmbH & Co. KG) of Germany.                                                                                                                          |
| July 2019     | Acquired the compressor business ("Embraco") of Whirlpool Corporation of the U.S.                                                                                                                                                        |
| October 2019  | Established the joint venture company Guangzhou Nidec Auto Drive System Co., Ltd. with GAC Components Co., Ltd. of China.<br>Acquired OMRON Automotive Electronics Co., Ltd. (currently, Nidec Mobility Corporation).                    |
| November 2019 | Acquired Roboteq Inc. of the U.S.                                                                                                                                                                                                        |
| June 2020     | Acquired Delta compressor business of Secop Austria GmbH.                                                                                                                                                                                |
| January 2021  | Established Nidec Electric Motor Serbia LLC and Nidec Elesys Europe LLC in Serbia.                                                                                                                                                       |
| August 2021   | Acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, Nidec Machine Tool Corporation).                                                                                                                                 |
| February 2022 | Took a stake in OKK Co., Ltd. (currently, Nidec OKK Corporation).                                                                                                                                                                        |
| December 2022 | Established the joint venture company Nidec Energy AS with FRYER BATTERY AS of Norway.                                                                                                                                                   |
| February 2023 | Acquired PAMA S.p.A. of Italy.                                                                                                                                                                                                           |
| March 2023    | Nidec Copal Electronics Corporation (currently, Nidec Components Corporation) acquired Midori Precisions Co., Ltd.                                                                                                                       |
| June 2023     | Established Nidec Aerospace LLC as a joint venture with Embraer S.A., a Brazilian aircraft manufacturer.                                                                                                                                 |
| July 2023     | Acquired Houma Armature Works of the U.S.                                                                                                                                                                                                |
| August 2023   | Acquired Automatic Feed Company (currently, Nidec Automatic Feed Company) and two affiliated companies of the U.S.                                                                                                                       |
| November 2023 | Acquired Takisawa Machine Tool Co., Ltd. through TOB.                                                                                                                                                                                    |
| October 2024  | Acquired Linear Transfer Automation Inc. and two affiliated companies of Canada.                                                                                                                                                         |
| April 2025    | Business Combination between Nidec Mobility Corporation and Nidec Elesys Corporation (Currently Nidec Mobility Corporation).                                                                                                             |
| July 2025     | Acquired Xecom Energy Technologies Co., Ltd. in Changzhou, China (Currently Nidec Scroll Technology (Changzhou) Co., Ltd).                                                                                                               |

### 3. Description of Business

Major businesses of our group, which is comprised mainly of the Company, 340 consolidated subsidiaries and 4 equity-method associates, are manufacturing and sales of small precision motors, automotive products, appliance, commercial and industrial products, machinery, electronic and optical components, and others.

We prepare our consolidated financial statements in accordance with IFRS Accounting. The scope of affiliates is also based on the definition of IFRS Accounting. Our segments comprise 6 reportable segments.

These segment categories are the same as those in the segment information in notes to consolidated financial statements in “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Statements of Financial Position” and segments for the fiscal year ended March 31, 2026 in all other parts in this annual securities report.

| Name                           | Main products                                                                                                                                 | Principal companies                                                                                                                                                                                                                                                                            |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SPMS                           | Hard disk drives spindle motors and other small precision motors                                                                              | Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec (H.K.) Co., Ltd., Nidec Precision (Thailand) Co., Ltd., Nidec Vietnam Corporation, Nidec Chaun-Choung Technology Corp, Nidec Motor (Dongguan) Corporation, Nidec (SHANGHAI) Co., Ltd., Nidec Taiwan Corporation               |
| AMEC                           | Automotive products                                                                                                                           | Nidec Automotive Motor (Zhejiang) Corporation, Nidec Motor (Dalian) Ltd., Nidec GPM GmbH, Nidec Motors & Actuators (Germany) GmbH, Nidec Motors & Actuators (Poland) Sp.Z O.O., Nidec Kaiyu Auto Electric (Jiangsu) Co., Nidec Automotive Motor Americas LLC, Ltd., Nidec (SHANGHAI) Co., Ltd. |
| MOEN                           | Appliance, commercial and industrial products                                                                                                 | Nidec Americas Holding Corporation, Nidec ASI S.p.A., Nidec Control Techniques Limited                                                                                                                                                                                                         |
| ACIM                           | Appliance, commercial and industrial products                                                                                                 | Nidec Global Appliance Brazil Ltda.                                                                                                                                                                                                                                                            |
| Nidec Machinery and Automation | Machinery, machine tools                                                                                                                      | Nidec Machine Tool Corporation, Nidec Minster Corporation                                                                                                                                                                                                                                      |
| Group Company Business         | Automotive products, appliance, commercial and industrial products, machinery, electronic components, other small precision motors and others | Nidec Mobility Corporation, Nidec Instruments Corporation, Nidec Powertrain Systems Corporation, Nidec Techno Motor (Zhejiang) Co., Ltd., Nidec Advance Technology Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd., Nidec Precision Corporation, Nidec Components Corporation        |

The positioning of the Company and its principal consolidated companies in relation to the product category of our group is as follows:

| Product Category                              |                                 | Principal Companies                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Small precision motors                        | Hard disk drives spindle motors | Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec (H.K.) Co., Ltd., Nidec Precision (Thailand) Co., Ltd.                                                                                                                                                                                                                                                                                                           |
|                                               | Other small precision motors    | Nidec Corporation, Nidec Instruments Corporation, Nidec (H.K.) Co., Ltd., Nidec Vietnam Corporation, Nidec Chaun-Choung Technology Corp, Nidec Motor (Dongguan) Corporation, Nidec (SHANGHAI) Co., Ltd., Nidec Taiwan Corporation, Nidec Components Corporation                                                                                                                                                                   |
| Automotive products                           |                                 | Nidec Corporation, Nidec Mobility Corporation, Nidec Automotive Motor (Zhejiang) Corporation, Nidec Motor (Dalian) Ltd., Nidec GPM GmbH, Nidec Motors & Actuators (Germany) GmbH, Nidec Motors & Actuators (Poland) Sp.Z O.O., Nidec Powertrain Systems Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd., Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd., Nidec Automotive Motor Americas LLC, Nidec (SHANGHAI) Co., Ltd. |
| Appliance, commercial and industrial products |                                 | Nidec Americas Holding Corporation, Nidec Global Appliance Brazil Ltda., Nidec Techno Motor (Zhejiang) Co., Ltd., Nidec ASI S.p.A., Nidec Control Techniques Limited                                                                                                                                                                                                                                                              |
| Machinery                                     |                                 | Nidec Instruments Corporation, Nidec Machine Tool Corporation, Nidec Advance Technology Corporation, Nidec Precision Corporation, Nidec Minster Corporation                                                                                                                                                                                                                                                                       |
| Electronic and optical components             |                                 | Nidec Instruments Corporation, Nidec Precision Corporation                                                                                                                                                                                                                                                                                                                                                                        |
| Others                                        |                                 | Nidec Instruments Corporation                                                                                                                                                                                                                                                                                                                                                                                                     |

(Business Diagram)

| Product Category                              |                                              | Operating Segment                             | Principal Companies                    |
|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------|
| Small precision motors                        | Hard disk drives spindle motors              | SPMS                                          | Nidec Corporation                      |
|                                               |                                              | SPMS                                          | Nidec Electronics (Thailand) Co., Ltd. |
|                                               |                                              | SPMS                                          | Nidec (H.K.) Co., Ltd.                 |
|                                               |                                              | SPMS                                          | Nidec Precision (Thailand) Co., Ltd.   |
|                                               | Other small precision motors                 | SPMS                                          | Nidec Corporation                      |
|                                               |                                              | SPMS                                          | Nidec (H.K.) Co., Ltd.                 |
|                                               |                                              | SPMS                                          | Nidec Vietnam Corporation              |
|                                               |                                              | SPMS                                          | Nidec Chuan-Choung Technology Corp     |
|                                               |                                              | SPMS                                          | Nidec Motor (Dongguan) Corporation     |
|                                               |                                              | SPMS                                          | Nidec (SHANGHAI) Co., Ltd.             |
|                                               |                                              | SPMS                                          | Nidec Taiwan Corporation               |
|                                               |                                              | Group Company Business                        | Nidec Instruments Corporation          |
|                                               |                                              | Group Company Business                        | Nidec Components Corporation           |
|                                               | Automotive products                          | AMEC                                          | Nidec Corporation                      |
| AMEC                                          |                                              | Nidec Automotive Motor (Zhejiang) Corporation |                                        |
| AMEC                                          |                                              | Nidec Motor (Dalian) Ltd.                     |                                        |
| AMEC                                          |                                              | Nidec GPM GmbH                                |                                        |
| AMEC                                          |                                              | Nidec Motors & Actuators (Germany) GmbH       |                                        |
| AMEC                                          |                                              | Nidec Motors & Actuators (Poland) Sp.Z O.O.   |                                        |
| AMEC                                          |                                              | Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd. |                                        |
| AMEC                                          |                                              | Nidec Automotive Motor Americas LLC           |                                        |
| AMEC                                          |                                              | Nidec (SHANGHAI) Co., Ltd.                    |                                        |
| Group Company Business                        |                                              | Nidec Mobility Corporation                    |                                        |
| Group Company Business                        |                                              | Nidec Powertrain Systems Corporation          |                                        |
| Group Company Business                        | Nidec Powertrain Systems (Vietnam) Co., Ltd. |                                               |                                        |
| Appliance, commercial and industrial products | MOEN                                         | Nidec Americas Holding Corporation            |                                        |
|                                               | MOEN                                         | Nidec ASI S.p.A.                              |                                        |
|                                               | MOEN                                         | Nidec Control Techniques Limited              |                                        |
|                                               | ACIM                                         | Nidec Global Appliance Brazil Ltda.           |                                        |
|                                               | Group Company Business                       | Nidec Techno Motor (Zhejiang) Co., Ltd.       |                                        |
| Machinery                                     | Nidec Machinery and Automation               | Nidec Machine Tool Corporation                |                                        |
|                                               | Nidec Machinery and Automation               | Nidec Minster Corporation                     |                                        |
|                                               | Group Company Business                       | Nidec Instruments Corporation                 |                                        |
|                                               | Group Company Business                       | Nidec Advance Technology Corporation          |                                        |
|                                               | Group Company Business                       | Nidec Precision Corporation                   |                                        |
| Electronic and optical components             | Group Company Business                       | Nidec Instruments Corporation                 |                                        |
|                                               | Group Company Business                       | Nidec Precision Corporation                   |                                        |
| Other                                         | Services                                     | Group Company Business                        | Nidec Instruments Corporation          |

Client

#### 4. Information on Affiliates

##### (1) Consolidated subsidiaries

| Name                                          | Address                        | Capital                | Principal business                                                                      | % of voting rights interests | Relationship             |                 |                                                          |        |
|-----------------------------------------------|--------------------------------|------------------------|-----------------------------------------------------------------------------------------|------------------------------|--------------------------|-----------------|----------------------------------------------------------|--------|
|                                               |                                |                        |                                                                                         |                              | Interlocking directorate | Funding support | Major business transaction                               | Others |
| Nidec Electronics (Thailand) Co., Ltd.        | Pathumthani Province, Thailand | USD 231,657 thousand   | Small Precision Motors                                                                  | 100.0                        | Yes                      |                 | Supply of products to the Company, Receipt of royalties  | ※ 1    |
| Nidec Automobile Motor (Zhejiang) Corporation | Pinghu, Zhejiang, China        | USD 135,966 thousand   | Automotive products                                                                     | 100.0 (8.4)                  | Yes                      |                 | Supply of products to the Company, Receipt of royalties  | ※ 1    |
| Nidec Motor Corporation                       | Missouri, U.S.A.               | USD 1,663,561 thousand | Appliance, Commercial and Industrial products                                           | 100.0 (100.0)                | Yes                      |                 | Receipt of royalties                                     | ※ 1,4  |
| Nidec Global Appliance Brazil Ltda.           | Santa Catarina, Brazil         | BRL 1,275,243 thousand | Appliance, Commercial and Industrial products                                           | 100.0                        |                          | Loan            | Receipt of royalties                                     | ※ 1    |
| Nidec Machine Tool Corporation                | Ritto, Shiga                   | JPY 3,000 million      | Machinery                                                                               | 100.0                        | Yes                      | Loan            | Receipt of royalties                                     |        |
| Nidec Instruments Corporation                 | Shimosuwa ho, Suwa-gun, Nagano | JPY 35,270 million     | Small Precision Motors, Automotive Products, Machinery and Electronic and Optical parts | 100.0                        | Yes                      |                 | Receipt of royalties                                     | ※ 1    |
| Nidec (H.K.) Co., Ltd.                        | Hong Kong, China               | HKD 2,352 thousand     | Small Precision Motors                                                                  | 100.0                        |                          |                 | Sales of products of the Company, Payment of commissions | ※ 1    |
| Nidec Precision (Thailand) Co., Ltd.          | Thailand, Ayutthaya            | THB 450,000 thousand   | Small Precision Motors                                                                  | 100.0 (99.9)                 |                          |                 |                                                          |        |
| Nidec Vietnam Corporation                     | Ho Chi Minh, Vietnam           | USD 11,000 thousand    | Small Precision Motors                                                                  | 100.0                        |                          |                 | Supply of products to the Company, Receipt of royalties  | ※ 1    |
| Nidec Chaun-Choung Technology Corp            | New Taipei, Taiwan             | TWD 863,434 thousand   | Small Precision Motors                                                                  | 86.3                         | Yes                      | Loan            |                                                          |        |
| Nidec Motor (Dongguan) Corporation            | Dongguan, Guangdong, China     | USD 23,000 thousand    | Small Precision Motors                                                                  | 100.0 (37.5)                 | Yes                      |                 | Supply of products to the Company, Receipt of royalties  |        |

| Name                                          | Address                   | Capital              | Principal business                                              | % of voting rights interests | Relationship             |                 |                                                                                |        |
|-----------------------------------------------|---------------------------|----------------------|-----------------------------------------------------------------|------------------------------|--------------------------|-----------------|--------------------------------------------------------------------------------|--------|
|                                               |                           |                      |                                                                 |                              | Interlocking directorate | Funding support | Major business transaction                                                     | Others |
| Nidec (SHANGHAI) Co., Ltd.                    | Shanghai, China           | CNY 1,655 thousand   | Small Precision Motors, Automotive products                     | 100.0 (100.0)                |                          |                 | Payment of commissions                                                         |        |
| Nidec Taiwan Corporation                      | Taipei City, Taiwan       | TWD 5,000 thousand   | Small Precision Motors, Automotive products                     | 100.0                        |                          |                 | Sales of products of the Company, Payment of commissions                       | ※ 1    |
| Nidec Motor (Dalian) Ltd.                     | Dalian, Liaoning, China   | USD 76,500 thousand  | Automotive products                                             | 100.0                        |                          |                 | Supply of products to the Company, Receipt of royalties                        | ※ 1    |
| NIDEC GPM GmbH                                | Thüringen, Germany        | EUR 294,273 thousand | Automotive products                                             | 100.0 (100.0)                | Yes                      | Loan            | Receipt of royalties                                                           | ※ 1    |
| Nidec Motors & Actuators (Germany) GmbH       | BadenWürttemberg, Germany | EUR 50 thousand      | Automotive products                                             | 100.0                        | Yes                      |                 | Sales of products of the Company, Receipt of royalties, Payment of commissions | ※ 1,3  |
| Nidec Motors & Actuators (Poland), Sp.z.o.o   | Niepolomice, Poland       | PLN 45,861 thousand  | Automotive products                                             | 100.0 (100.0)                | Yes                      |                 | Receipt of royalties                                                           | ※ 3    |
| Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd. | Changzhou, Jiangsu, China | CNY 68,227 thousand  | Automotive products                                             | 51.0                         |                          |                 |                                                                                |        |
| Nidec Automotive Motor Americas LLC           | Missouri U.S.A.           | USD 6,537 thousand   | Automotive products                                             | 100.0 (100.0)                | Yes                      |                 | Sales of products of the Company                                               | ※ 3    |
| Nidec ASI S.p.A.                              | Lombardy, Italy           | EUR 17,429 thousand  | Appliance, Commercial and Industrial products                   | 100.0 (100.0)                | Yes                      |                 | Receipt of royalties                                                           |        |
| Nidec Control Techniques Limited              | Powys, England            | USD 6,185 thousand   | Appliance, Commercial and Industrial products                   | 100.0 (100.0)                |                          |                 | Receipt of royalties                                                           |        |
| Nidec Advance Technology Corporation          | Muko-city, Kyoto          | JPY 938 million      | Machinery                                                       | 100.0                        | Yes                      | Loan            | Receipt of royalties                                                           |        |
| Nidec Precision Corporation                   | Itabashi-ku, Tokyo        | JPY 11,080 million   | Small Precision Motors, Machinery, Electronic and Optical parts | 100.0                        | Yes                      |                 | Receipt of royalties                                                           | ※ 1    |

| Name                                         | Address                     | Capital                | Principal business                                      | % of voting rights interests | Relationship             |                 |                                   |        |
|----------------------------------------------|-----------------------------|------------------------|---------------------------------------------------------|------------------------------|--------------------------|-----------------|-----------------------------------|--------|
|                                              |                             |                        |                                                         |                              | Interlocking directorate | Funding support | Major business transaction        | Others |
| Nidec Minster Corporation                    | Ohio, U.S.A.                | USD 687 thousand       | Machinery                                               | 100.0 (100.0)                |                          |                 |                                   |        |
| Nidec Mobility Corporation                   | Komaki, Aichi               | JPY 5,000 million      | Automotive products                                     | 100.0                        | Yes                      | Loan            | Receipt of royalties              | ※1     |
| Nidec Powertrain Systems Corporation         | Zama, Kanagawa              | JPY 5,087 million      | Automotive products                                     | 100.0                        | Yes                      |                 | Receipt of royalties              |        |
| Nidec Techno Motor (Zhejiang) Co., Ltd.      | Pinghu, Zhejiang, China     | CNY 553,944 thousand   | Appliance, Commercial and Industrial products           | 100.0 (91.7)                 |                          |                 |                                   |        |
| Nidec Powertrain Systems (Vietnam) Co., Ltd. | Ho Chi Minh, Vietnam        | JPY 6,263 million      | Automotive products                                     | 100.0 (74.9)                 |                          |                 |                                   |        |
| Nidec Components Corporation                 | Shinjuku-ku, Tokyo          | JPY 2,362 million      | Small Precision Motors, Electronic and Optical parts    | 100.0                        | Yes                      |                 | Receipt of royalties              |        |
| Nidec Americas Holding Corporation           | Missouri, U.S.A.            | USD 0 thousand         | Appliance, Commercial and Industrial products           | 100.0                        | Yes                      | Loan            |                                   | ※1     |
| Nidec PSA eMotors SAS                        | France, Yvelines            | USD 105,973 thousand   | Automotive products                                     | 50.0 (50.0)                  | Yes                      |                 |                                   | ※1     |
| Nidec Seimitsu Motor (Dongguan) Co., Ltd.    | Dongguan, Guangdong, China  | USD 7,000 thousand     | Small Precision Motors                                  | 100.0 (100.0)                | Yes                      |                 | Supply of products to the Company | ※1     |
| Guangzhou Nidec Auto Drive System Co., Ltd.  | Guangzhou, Guangdong, China | CNY 600,000 thousand   | Automotive products                                     | 51.0                         | Yes                      |                 | Receipt of royalties              | ※1     |
| Nidec India Private Ltd.                     | India Rajasthan             | INR 6,063,772 thousand | Machinery Appliance, Commercial and Industrial products | 100.0 (41.0)                 |                          | Loan            | Payment of commissions            | ※1     |
| Nidec OKK Corporation                        | Ritto, Shiga                | JPY 9,023 million      | Machinery                                               | 100.0 (100.0)                | Yes                      | Loan            | Receipt of royalties              | ※1     |
| Other 306 companies                          |                             |                        |                                                         |                              |                          |                 |                                   |        |

(Notes) \*1. Companies that fall under the definition of a specified subsidiary or "Tokutei Kogaisha". Under the Financial Instruments and Exchange Act of Japan, a subsidiary corresponds to a "Tokutei Kogaisha" when the total amount of its net sales to or the total amount of its purchases from the parent company during the period corresponding to the most recent fiscal year of the parent company are 10% or more of the total amount of the parent company's purchases or the total amount of the parent company's net sales during the same period.

Among the other companies, the company that falls under the specified subsidiary is as follows.

Nidec Europe B.V.

2. A number in the round brackets in the "% of voting rights interests" column shows the % of indirect voting interests, which is a part of the total voting interest.

3. The companies with a capital deficit of ¥10,000 million or more as of March 31, 2026, and the amounts of such deficits are set forth below.

|                                                 |                  |
|-------------------------------------------------|------------------|
| Nidec Motors & Actuators (Poland) Sp.z o.o.     | ¥ 23,132 million |
| Nidec Automotive Motor Americas Corporation     | ¥ 41,416 million |
| Nidec Electric Motor Serbia LLC                 | ¥ 15,346 million |
| Nidec Motors & Actuators (Germany) GmbH         | ¥ 16,300 million |
| Nidec Elesys (Zhejiang) Corporation             | ¥ 28,739 million |
| Nidec Powertrain Systems (Zhejiang) Corporation | ¥ 36,564 million |
| NIDEC ELESYS EUROPE D.O.O                       | ¥ 13,507 million |

4. The ratio of net sales generated by Nidec Motor Corporation (excluding intercompany sales among consolidated subsidiaries) to consolidated net sales exceeded 10%.

|                                             |                                |                   |
|---------------------------------------------|--------------------------------|-------------------|
| Information on major profit and other items | (1) Net Sales                  | ¥ 406,798 million |
|                                             | (2) Profit Before Income Taxes | ¥ 18,728 million  |
|                                             | (3) Profit for the Year        | ¥ 14,571 million  |
|                                             | (4) Total Equity               | ¥ 313,646 million |
|                                             | (5) Total Assets               | ¥ 588,294 million |

(2) Associated company under the equity method

We have 4 associated companies under the equity method. We have omitted a description of them as they are immaterial.

## **II. Business Overview**

### ***1. Management Policies, Business Environment, and Challenges***

The forward-looking statements contained herein are based on judgments made by NIDEC as of the end of the current consolidated fiscal year and do not guarantee future performance or the achievement of such statements.

#### **(1) Basic management policies**

The Company received a Designation as a Security on Special Alert from the Tokyo Stock Exchange on October 28, 2025. The Company takes very seriously, from a management perspective, the significant loss of trust from shareholders, investors, customers, business partners, and other stakeholders caused by improper accounting and inappropriate actions regarding quality and inspections within the group.

The Company has been positioned to "always do everything right" as its highest management priority. The Company is verifying and correcting the accounting treatments of prior years to disclose financial information with accuracy and transparency. The Company is advancing a root cause investigation and clarifying accountability, while executing recurrence prevention measures based on its improvement plan across the entire group. As a first step, transitioned to a new board of directors system that enhances the independence and supervisory functions of the board of directors, and executed a substantial reform of its executive system.

The Company is also breaking away from a traditional performance-first approach and an excessive top-down management style. The Company is advancing a transition to a management structure where each business proactively formulates plans aligned with the business environment and its own capabilities, executing them following sound discussion and verification. The Company is currently executing steadily based on the improvement plan, aiming to restore trust as quickly as possible. The Company is continuously verifying the effectiveness of these measures and working on the appropriate establishment and operation of the internal control system. The Company is making these improvements with all executives and employees of the group united, aiming for the lifting of the Designation as a Security on Special Alert through these initiatives.

The Company furthermore revised its previously announced Conversion 2027 plan and announced the basic policy of "Re-Definition" The Nidec Five-Year Business Transformation Plan for Better Corporate Value, covering the period from FY2026 to FY2030, on May 13, 2026. The Company is currently formulating a mid-term management plan, including the strategies and numerical plans for each business, based on this basic policy.

#### **1. Corporate culture & Governance reform**

The Company recognizes that the background to the recent improper accounting and inappropriate actions regarding quality lies in a corporate culture that gives top priority to short-term profits and does not allow targets to be missed, concentration of authority in specific management, and vulnerabilities in Internal Controls and group company administration. Based on this understanding, the Company is striving to transition from a conventional top-down structure to an integrated organization where executives and frontline employees engage in two-way dialogue. The Company will advance its transformation into an organization and culture that is highly transparent and encourages collaborative discussion, ensuring all employees engage in their duties with a sense of reward and social significance. Top management is taking the lead in this dialogue by holding town hall meetings to speak directly with employees, and the Company is conducting "Culture Transformation Lab" activities to foster a culture where "speaking up changes the company", thereby connecting employee voices directly to management. Furthermore, the Company is strengthening the deployment of training and education programs, providing continuous education for personnel engaged in accounting, sales, purchasing, and production control worldwide. Through these measures, the Company will eliminate excessive pressure caused by short term numerical targets and firmly establish a governance system that promotes sound growth at all locations. Through such initiatives, the Company will strengthen cross functional collaboration across departments and sites, ensure psychological safety, and foster a free and open environment, establishing a mechanism where failures, concerns, and signs of irregularities can be reported and corrected without being hidden.

## 2. New board of directors system & enhancing its supervisory function

The Company takes seriously the findings in the report by the Third-Party Committee regarding the dysfunction of the check and balance roles of Audit and Supervisory Committee members and outside directors, as well as the lack of diversity among directors. Accordingly, the Company seeks to strengthen its supervisory functions by diversifying the expertise of the board of directors. Specifically, “Experience in company management” and “Knowledge in the capital market” have been added as newly required skills to the member matrix of the board of directors. Based on these new criteria, the Company has appointed experienced corporate managers with extensive practical experience in corporate rebuilding and governance reform, as well as experts possessing the perspective of an institutional investor, to serve as outside board of director members.

Furthermore, to ensure a stronger board of directors independence and supervision of executives, the Company is transitioning to a structure to select the members of independent outside board of directors to chair the board, aiming to build board of directors system for better corporate value on a sustainable basis.

Regarding the executive system, the Company has revised its selection criteria to strongly emphasize a strong sense of corporate ethics and compliance, organizational design and human resource development, and capabilities in future strategic planning and execution, thereby enhancing the transparency and objectivity of the appointment and dismissal process. The Company will firmly establish a system that clearly separates the supervisory role of the board of directors from the operational responsibilities of the executive side, ensuring that material management issues and risks are shared and deliberated in a timely manner.

## 3. “Re-Definition” The Nidec Five-Year Business Transformation Plan for Better Corporate Value

The Company aims to maximize its corporate value by improving ROIC, reallocating management resources across the entire group, and thoroughly promoting structural reform. Starting from the reconstruction of proper management, and in order to build a high-profit structure, and evolve into a truly global company, the Company will strengthen the selection and concentration of its businesses by combining a review of the business portfolio, group reorganization, and investments in growth areas where high profitability and market growth are expected.

## **(2) Business Environment and NIDEC's Medium- to Long-term Business Strategies**

The Company will promptly initiate the following four initiatives set forth in “Re-Definition” The Nidec Five-Year Business Transformation Plan announced on May 13, 2026: (1) business reorganization based on the five pillars, (2) review of the business portfolio,(3) group reorganization, and (4) company-wide IT infrastructure reform.

The Company is currently proceeding to formulate a mid-term management plan covering the period from fiscal 2026 to fiscal 2030 by re-examining the growth potential, profitability, capital efficiency, and feasibility of each business based on these policies. These five pillars indicate the direction of the medium- to long-term business strategy and management control toward fiscal 2030 and differ from the reporting segments used for financial reporting in the current consolidated fiscal year. Based on the development status of business operations and management control systems, the Company will gradually establish mechanisms for performance management and resource allocation centered on the five pillars.

### **1. Business Reorganization Based on five pillars**

The Company will strengthen group management tailored to each business profile by consolidating the sales companies and manufacturing facilities currently held by individual legal entities in accordance with the five pillars. Going forward, the Company will promote its Business Reorganization centered around the five pillars: Better Life, Electrification & Energy Infrastructure, Digital Society Solutions, Advanced Manufacturing Solutions, and Mobility Innovation. The Company aims to expand its business by fostering collaboration and generating synergies, cross-functionally leveraging the diverse strengths previously scattered across Nidec's group companies on a group-wide basis. At the same time, the Company will consolidate the group's strengths beyond the boundaries of existing businesses to create new value, while remaining highly conscious of customer perspectives and demands.

In these five business domains, the Company is transitioning to a structure where each pillar assumes accountability for its consolidated operations to fulfill its accountability to the capital markets. The Company will drive this transformation through the global HQ; specifically, with the global HQ for compliance, portfolio management, capital allocation, etc. building a strong governance structure for the entire world.

### **2. Review of business portfolio**

The Company will execute a fundamental restructuring of its business portfolio from the perspectives of growth potential and profitability by recognizing its core strengths in manufacturing technologies, and reconfirming the deep technological capabilities, extensive experience, and expertise it has cultivated over many years.

The Company will actively invest in and develop new business models such as solution providing in fields such as AI datacenters, energy, and semiconductor-related businesses where high profitability and market growth are expected. The Company views technological innovations and broader social transformations as distinct opportunities for investment in new domains. The Company will leverage its existing proprietary technologies as a foundation to expand its business into emerging fields poised for future growth by identifying these new areas within high-growth markets. Conversely, the Company will swiftly proceed with the withdrawal from our divestiture of low-growth and low-profitability businesses.

The Company intends to continuously improve its cash-generating capabilities and capital efficiency, including ROIC, aiming for Better Corporate Value on a sustainable basis through these strategic measures. Furthermore, the Company will maintain an appropriate balance between growth investment and shareholder returns while ensuring its financial soundness.

### **3. Group reorganization**

The Company will execute structural reform across the company based on a review of the business portfolio, striving to achieve stronger governance, less cost, and improve ROIC. In our Business Transformation Plan discipline announced in May 2026, we have set targets to consolidate our locations from 248 as of March 2026 to 160–180 locations, and our legal entities from 353 to 160–180 entities. Moving forward, the Company will verify the business necessity, customer support, supply systems, legal and tax matters, IT systems, and reorganization costs for each location and entity, and proceed with the reorganization sequentially on the premise of avoiding any disruption to business continuity and risk management.

#### 4. Company-wide IT infrastructure reform

The Company will strive to simultaneously build a foundation for sound management and improve operational efficiency by renewing our IT infrastructure and introducing a company-wide shared engineering platform. In renewing our IT infrastructure, the company will make proactive IT investments over the next five years to integrate systems that were previously fragmented for each company into a unified system across the entire group and its 5 pillars, thereby strengthening internal controls and visualizing management information. Through these efforts, the company will establish a robust foundation to support sound management while aiming to significantly improve operational efficiency. Furthermore, we will introduce a company-wide shared engineering platform, the "One Nidec Motor Engineering Agent." By comprehensively linking and sharing engineering knowledge related to motors within the group across various business domains, we will build a solid foundation that supports our manufacturing capabilities.

The Company will agilely realign its business portfolio and enhance its business selection to implement the above business transformation plan, through the effective use of M&As to bolster new business areas, alongside business sales for business restructuring and base integration.

#### ESG Initiatives

The company positions the restoration of trust among our stakeholders and the reconstruction of our management foundations as issues of the highest priority at present. By fundamentally reviewing its existing sustainability promotion structure and advancing the re-identification process of material issues (materiality) as well as their integration into the management plan under the strong commitment of management itself, we will evolve into a more effective system of governance and strive to build better corporate value over the long term. For details, please refer to "2. Views and Initiatives on Sustainability."

### **(3) Status of Implementation of the Improvement Plan and the Status Report**

#### 1. Overview of the Accounting Issue

We sincerely apologize for the significant inconvenience and concern caused to our shareholders, investors and all other stakeholders by the improper accounting issue involving the Company.

The Company has identified that, in past fiscal years, inappropriate accounting treatments and trade transaction issues occurred within the Group, including multiple domestic and overseas consolidated subsidiaries. As a result, the Company received an audit report expressing a disclaimer of opinion on the consolidated financial statements included in the annual securities report for the fiscal year ended March 31, 2025. In addition, in light of these series of events, Tokyo Stock Exchange, Inc. determined that the Company's internal management system and related controls required significant improvement, and designated the Company as a Securities on Special Alert on October 28, 2025. In response, the Company submitted the "Improvement Plan and the Status Report" on January 28, 2026, and the "Revised Improvement Plan and the Status Report" on April 27, 2026, to Tokyo Stock Exchange, Inc., with the aim of fundamentally improving its internal management system and related controls and thereby seeking removal from the Securities on Special Alert designation.

With respect to the "Revised Improvement Plan and the Status Report," after formulating the Improvement Plan based on the hearing results of the Nidec Corporate Reform Committee established in November 2025, the Company reviewed the causes that led to the inappropriate accounting treatments and deficiencies in internal controls in light of the contents of the Investigation Reports received from the Third-party Committee on February 27, 2026 and April 17, 2026, and formulated a revised version of the improvement measures for preventing recurrence based on the analysis of those causes.

As set forth in the "Revised Improvement Plan and the Status Report" dated April 27, 2026, the Company believes that the causes of the issues were the result of a combination of six structural and interrelated factors: (1) excessive shareholder primacy to continue to demonstrate growth, (2) a corporate culture that gives top priority to short-term profits and does not allow targets to be missed, (3) concentration of authority on Mr. Nagamori and a culture of prioritizing his opinions, (4) governance vulnerabilities, (5) internal control weaknesses, and (6) vulnerabilities of the Group company management system.

## 2. Status of the Improvement Measures Set Forth in the Improvement Plan

The Company has been taking appropriate actions with respect to the “Improvement Plan and the Status Report (Revised Version)” announced on April 27, 2026, in order to achieve the lifting of the designation as a Securities on Special Alert. The status of the improvement measures is as follows.

### 1) Improvement measures and status of the FIR Issue (Trade transaction and customs issues related to FIR)

#### (i) Fostering awareness and a corporate culture that place compliance first

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

On September 26, 2025, the Board of Directors of the Company sent out a clear message on a strict attitude toward compliance violations and making regulatory compliance centered on quick response policies the top priority. In addition, top management sent out continuous definitive messages to executives around the world: in business, make it the top priority to thoroughly spread the corporate culture of making regulatory compliance the top priority; and ensure that all executives and other employees of the company act proactively, based on high ethical standards and integrity. On March 4, 2026, the day after we received the third-party committee’s investigation report, and on April 1, the first day of the new fiscal year, top management sent a video message to all executives and employees, stating that integrity is our top priority. In addition, during the compliance training conducted for all group executives and employees in July 2026, a video message was broadcast regarding the importance of compliance

##### (b) Ensuring full awareness of the necessity to prioritize compliance through disciplinary actions

Based on the investigation results by the Third-Party Committee and other internal investigation results, appropriate disciplinary actions was taken, and by disclosing the details to our employees, we thoroughly communicate the necessity of prioritizing compliance above all else.

##### (c) Strengthening our Legal & Compliance Department’s functions

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

#### (ii) Strengthening organizations and systems

##### (a) Strengthening the trade compliance system

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

##### (b) Strengthening the global compliance system

The Company established the position of Chief Legal Officer (CLO) and appointed a person with specialized knowledge and experience to that position, and also assigned a compliance specialist in North America. The Company’s Legal & Compliance Department held a total of 38 meetings with the Group Regional Compliance Officers between October 2025 and September 2026. The main agenda items included confirming the status of investigations of reported cases in each region and sharing information on compliance-related initiatives, including revisions to internal rules, sharing response manuals prepared by the Company, and confirming progress on training for all employees. In addition, risk information is shared with the CLO and the Chief Compliance Officer (CCO) through weekly reports and biweekly meetings within the compliance department, and the Company has strengthened its framework so that reported matters and issues can be addressed promptly on a global basis.

#### (iii) Improvement of procedures, regulations and mechanisms

##### (a) Improvement of the Group’s reporting system

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

i) When Regional Compliance Officers and the Legal & Compliance Department have identified material risk information, they will report such information directly to the Company’s Chief Compliance Officer (CCO)

ii) If a Regional Compliance Officer becomes aware of any act that violates laws and regulations or act that may violate laws and regulations, report the same to the Company’s Legal & Compliance Department

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

The Company establishes regular information-sharing sessions with overseas legal and compliance officers and share such information among key members within the Company's Legal & Compliance Department. With respect to the reporting of risk information concerning litigation cases, most recently in July, the Company collected litigation information as of the end of the first quarter from regional legal affairs personnel and shared it within the Legal Department. In addition, at a global meeting held in April 2026, the CLO, the chief officer of the legal and compliance department of the Company's U.S. holding company, regional compliance officers from key regions, and persons in charge of the legal departments in key countries participated and, over the course of three days, exchanged information regarding the activities and results of each department and introductions of business divisions, and discussed issues to be resolved going forward and related measures.

(c) Properly organizing the internal control system

The Company has expanded the inquiries made by the accounting department to the Legal Department in connection with quarterly financial closing to a global basis and introduced a process to confirm whether the material risk information recognized by the accounting department is comprehensive.

With respect to risk information concerning litigation cases reported by regional legal affairs personnel to the Legal & Compliance Department, the Company has established a searchable database and implemented risk analysis so that such information can be shared with the accounting department. In July 2026, the Company's Legal Department collected litigation information as of the end of the first quarter of the fiscal year ending March 31, 2027 from regional legal affairs personnel and shared 480 litigation cases with the Company's accounting department. Upon receiving such information, the Company's accounting department individually reviews material cases, taking into account the amount claimed, the status of the litigation, the likelihood of occurrence, and other material factors, to confirm whether any necessary provisions have been appropriately recorded or whether any matters requiring disclosure in the consolidated financial statements exist.

In addition, with respect to whistle-blowing information, the Company's Compliance Department deleted or edited information that could lead to the identification of whistle-blowers and limited access rights, and shared such information with the Company's accounting department at least once per quarter from January 2026 through September 2026.

(iv) Improvement measures at FIR

(a) Systematic training and education system

In order to ensure that all employees are aware of the need to comply with U.S. customs laws, the Company have commissioned lawyers specializing in U.S. customs to continuously conduct specialized trainings on trade compliance. In particular, in July 2025, immediately after the discovery of the Issue, the Company conducted education aimed at preventing recurrence for the procurement and distribution departments of FIR. In addition, in March 2026, the Company conducted a learning program for departments involved in trade compliance with the aim of learning the latest U.S. tariff systems. The Company also conducted an e-learning program in May 2026 for officers and employees involved in trade operations across the Group, including FIR, with the aim of fostering proper judgment and conduct in the field by deepening understanding of risks through violation cases and ensuring awareness of the Company's internal operating framework and consultation and reporting channels. In addition, in the same month, the Company distributed and posted on its internal portal a manual that lists compliance requirements related to trade management by business process, as well as a handbook summarizing matters requiring attention.

(b) Internal control over country of origin declarations

As FIR did not have adequate internal controls in place for determining country of origin declarations pertaining to exports to the United States, the Company developed and started to operate such internal controls. Specifically, the Company have newly established Article 10 of the Nidec Group Global Trade Administration Regulations to establish a process that requires cooperation with the NIDEC AMERICAS HOLDING CORPORATION Legal Department and consultation with external trade control experts when determining the country of origin of cargo bound for the United States. As a result, the Company have established a system that reflects the latest laws and regulations and changes in important parts and bills of materials (BOMs) in a timely manner and accurately determines the country of origin based on expert knowledge on a continuous basis.

(v) Additional Improvement Measures Related to Trade Compliance Based on the Investigation into the FIR Issue

(a) Implementation of e-learning programs on trade compliance

In May 2026, the Company conducted an e-learning program on trade compliance for officers and employees involved in trade operations and reiterated the consultation and reporting channels for violation cases. Through this initiative, the Company sought to reinforce understanding among officers and employees engaged in trade management of the basic matters that must be complied with, and to emphasize the importance of appropriately consulting and reporting when they become aware of any violation or suspected violation

(b) Development and rollout of the “Tariff Response Manual” and “Tariff Response Handbook”

In May 2026, the Company newly prepared and distributed to relevant personnel the “Tariff Response Manual,” which organizes compliance requirements related to trade management by business process for matters concerning country of origin determination, tariff classifications, and free trade agreements, as well as the “Tariff Response Handbook,” which summarizes matters requiring attention in practice. Through these materials, the Company is clarifying common rules to be referenced in day-to-day operations for trade management tasks that had previously depended in part on the knowledge and experience of each site and individual, and is promoting efforts toward standardization of such operations.

(c) Continuous communication regarding the importance of compliance

At the compliance training program conducted in July 2026 for all officers and employees of the Group, the Company once again delivered a video message emphasizing the importance of compliance. In addition to providing specialized education to employees directly involved in trade management, the Company is further promoting the penetration of compliance awareness throughout the Group by reiterating to all officers and employees that compliance must be a prerequisite for business activities.

(d) Development and rollout of SOPs (standard operating procedures)

In addition to the education and rule development described above, in order to ensure the effectiveness of trade compliance in the actual business processes at each site, the Company’s headquarters has taken the lead in reviewing the trade management processes at each site and working to improve identified issues and develop, roll out, and establish SOPs (standard operating procedures).

In particular, in the United States, the Company has positioned the tariff investigation not merely as an investigation to confirm past declaration errors and their financial impact, but as an opportunity to improve the trade management framework itself. The Company’s headquarters trade management personnel have worked together with local personnel and relevant departments to review actual import transactions and business processes, collect and verify necessary information, and correct identified issues.

Through these headquarters-local initiatives, local personnel have also accumulated knowledge and experience in trade management practices, such as tariff classifications and country of origin determinations, in line with actual transactions, thereby improving their practical capabilities at the local level. In addition, by repeatedly identifying and improving issues based on actual business processes, the Company has accumulated knowledge and know-how that can be used to develop SOPs suited to the actual conditions at each site and to ensure their effective operation.

At present, the Company is concurrently reviewing and correcting processes and developing SOPs at each Group site, including in the United States. Going forward, while mutually leveraging the initiatives at each site and the knowledge and know-how gained in the United States, the Company will continue to promote the standardization of business procedures and the ongoing confirmation of their establishment and operational status, thereby continuously operating a series of improvement measures from education and rule development through to embedding them in actual business processes, and enhancing the effectiveness of trade compliance across the Group.

(vi) Disciplinary actions

Based on the investigation results of the Third-party Committee and other internal investigation results, the Company has clarified responsibility for matters relating to FIR, and four key responsible persons have already left the Company through dismissal or resignation. For the other individuals subject to disciplinary action, the Company plans to issue written reprimands or oral severe warnings.

2) Improvement measures based on suspected improper accounting practices

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

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

The Company established the Medium-term Management Plan Formulation Regulations in June 2026 as a rule to increase the feasibility of the medium-term management plan to achieve growth. This aims to achieve enhanced competitiveness and business growth from a medium- to long-term perspective and clearly indicate strategies with concrete effectiveness, such as research & development, including the formulation and verification of plans by Business Units and domestic Group companies in cooperation with officers and employees who are responsible for cross-organizational functions of the entire Group, such as the CFO, CMO, CDO, and CTO. Subsequently, the Company completed the dissemination of the Medium-term Management Plan Formulation Policy to each Group company. Based on this, the Company has commenced the operation of the medium-term management plan formulation process from fiscal 2026.

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

The Company clarified that managers in each Business Unit and domestic Group company are responsible for formulating their own medium-term management plans, making institutional decisions, and executing them. The Company also built a team structure to support such managers, ensuring that each Business Unit and domestic Group company formulates a plan after sufficient discussion by the team. At the same time, the Company established a system where the Company's secretariat and officers and employees responsible for cross-organizational functions of the entire Group work together with each team and personnel in charge to examine the plans. In addition, in formulating the medium-term management plan, the Company broadly gathers knowledge from talented human resources within the Company and utilizes knowledge from outside experts.

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

The Company established the company-wide strategic direction and, based on this direction, revamped its planning process to ensure thorough strategic discussions within teams responsible for the performance of individual Business Units and domestic Group companies, thereby formulating a sound and robust medium-term management plan. By obtaining formal corporate decisions (such as approvals from the Executive Management Meeting and the Board of Directors) after each Business Unit and domestic Group company fulfills its accountability to the Company, the Company is working to prevent the arbitrary or person-dependent formulation and modification of plans by certain members of management. Based on these measures, in fiscal 2026, the Company is proceeding with the review of the existing plan through fiscal 2027 and the formulation of a new plan for fiscal 2028 and beyond. Specifically, based on the "Re-Definition" Nidec Corporate Reform 5-Year Plan (FY26-30) announced on May 13, 2026, the Company discussed the direction and deliberation process for formulating the medium-term management plan at the Executive Management Meeting on May 29 and at the Board of Directors meeting on June 3. Subsequently, in June, the Company held a briefing session attended by the heads of Business Units and Group companies as well as senior management to officially launch the formulation process. Currently, under the framework of the "Five Pillars" (Better Life, Electrification & Energy Infrastructure, Digital Society Solutions, Advanced Manufacturing Solutions, and Mobility Innovation)—a new business classification grouping businesses with shared characteristics—strategy review teams established in each business area are taking the lead in formulating the medium-term management plan.

Rather than relying solely on the direction of the heads of the "Five Pillars," these teams are advancing the plan by thoroughly assessing the market environment, NIDEC strengths and technological capabilities, and potential synergies among Group companies within the same business area. For example, in strategic deliberations within a specific business line, the Company is advancing discussions grounded in business competitiveness—shifting away from conventional initiatives premised on revenue expansion and full product lineups, toward reviewing the product portfolio and prioritizing selection and concentration for less competitive products.

The Company considers this a primary example of proactively formulating a growth plan driven by its own initiative, leveraging external expert insight while accounting for current operational realities and future forecasts. Furthermore, to enhance governance and achieve group-wide optimization, the Company is evaluating organizational and operating model reforms, including the consolidation and restructuring of corporate entities, the optimization of production sites, and the transition of sales companies and manufacturing plants into cost centers.

(ii) Reorganization of the business plan formulation process

(a) Redefining the rules for business plan formulation

In March 2026, the Company established the Business Plan Management Regulations and fully notified all Group companies of these regulations as the Business Plan Management Policy.

The Company implemented these regulations starting in fiscal 2026, and they are expected to be reflected in the business plan for fiscal 2027.

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

In January 2026, the Company held a briefing session regarding the business plan formulation process based on the approach outlined in the "Improvement Plan and Status Report," and each Business Unit and domestic Group company commenced formulating its respective business plan.

From late January to early February, the Company conducted progress review sessions with each Business Unit and domestic Group company to review the progress of the formulation process and address any questions or concerns. Subsequently, in March 2026, the Company held business plan alignment sessions to mutually validate the soundness and feasibility of plans for related business areas, taking into account external environments and specific business characteristics.

Through these rigorous processes, the Company deliberated on the overall consolidated plan at the Executive Management Meeting on March 28, and subsequently approved the fiscal 2026 business plan at the Board of Directors meeting on March 31. During the planning process, deliberations focused on balancing the correction of unrealistic target-setting by certain members of management with the pursuit of sound, growth-oriented challenges. Reports also highlighted instances where business units independently pursued ambitious initiatives rather than adopting conservative plans.

Recognizing that operational backgrounds vary across businesses, the Company will foster autonomous plan formulation by each business while ensuring the thorough validation of plan soundness and feasibility. In March 2026, the Company established the Business Plan Management Regulations to serve as the governing framework for appropriately managing future business plan formulation, budget-to-actual performance, and business evaluations, and has fully communicated them across all Group companies as the Business Plan Management Policy.

Following the completion of the medium-term management plan—which serves as the foundation for annual business planning—the Company will apply these regulations starting from the fiscal 2027 business plan.

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

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

At the end of September 2025, the Company abolished the management framework and performance review meetings that involved daily reporting of monthly forecasts based on business unit projections. Effective from the April 2026 results onward, the Company launched a new budget-to-actual management process centered on monthly consolidated financial results prepared on a simplified basis.

The results for April 2026 were reported to the Executive Management Meeting on May 29 and to the Board of Directors on June 3, 2026. The results for May 2026 were reported to the Executive Management Meeting on June 24 and to the Board of Directors on July 8, 2026.

Regarding results from June 2026 onward, reports will be submitted as soon as budget-to-actual management becomes operational using actual financial results consistent with the financial closing for the fiscal year ended March 31, 2026, and the first quarter of the fiscal year ending March 31, 2027. Thereafter, the Company plans to conduct budget-to-actual management under the standard reporting cycle.

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

Based on the Business Plan Management Regulations established in March 2026, the Company formulated guidance outlining specific processes and formats for fiscal 2026 budget-to-actual management and fully communicated it to each Business Unit and domestic Group company.

Effective from the April 2026 performance results, the budget-to-actual management described in (a) above incorporates qualitative business analyses by each Business Unit and domestic Group company as required reporting items, which are deliberated at the Executive Management Meeting.

Furthermore, in September 2026, the Company held full-year forecast review sessions for each business to discuss the latest outlook, probability of achievement against the fiscal 2026 business plan, and environmental changes since plan formulation. The Company compiled these outcomes and reported the overall consolidated full-year forecast to the Executive Management Meeting on September 9 and to the Board of Directors on September 30.

Regarding variance analysis, evaluation of recovery measures, and plan revisions, the Company plans to review and deliberate on these matters during quarterly budget-to-actual management meetings under the standard reporting cycle aligned with the financial closing process.

(iv) Review of business evaluation criteria

(a) Review of numerical items

Under the Business Plan Management Regulations newly established in March 2026, the Company designated net sales, operating profit, free cash flow (FCF), and return on invested capital (ROIC) as the business evaluation metrics for Business Units and Group companies.

The regulations codified a framework under which each Business Unit and Group company proposes evaluation weightings within a designated range based on its specific business characteristics, which are then finalized following verification by the Company. This framework aims to mitigate undue pressure focused solely on achieving profit targets.

(b) Addition of evaluation items

The Company held briefing sessions for each Business Unit and domestic Group company regarding the new business evaluation framework and process based on the Business Plan Management Regulations.

In parallel with formulating the fiscal 2026 business plan, Business Units and Group companies autonomously established multiple medium- to long-term priority measures to address mid- to long-term challenges and objectives, setting milestones to be achieved within fiscal 2026 alongside corresponding evaluation criteria.

Under the standard reporting cycle aligned with the financial closing process, the Company will deliberate on metrics including FCF and ROIC—in addition to net sales and operating profit—at the budget-to-actual management meetings described in (iii)(b) above.

Concurrently, the Company will monitor the progress of these medium- to long-term priority measures, evaluating advancement toward long-term corporate growth as well as short-term profit targets.

Following the conclusion of the fiscal year, the Company will review and evaluate these medium- to long-term priority measures on a full-year basis alongside the financial metrics outlined in (a) above, utilizing these outcomes for reporting to the Executive Management Meeting and for strategic discussions.

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

(a) Ensuring the independence of the accounting function

To prevent the occurrence of accounting irregularities, the Company has established a system that ensures the accounting function's independence from business divisions and prioritizes proper accounting practices above all. As part of these efforts, in February 2026, the Company instructed Business Units and domestic Group companies to review and revise their regulations on the division of duties and job descriptions to clearly delineate the roles of the accounting function and the business management function. Consequently, Business Units and domestic Group companies revised these regulations and job descriptions. From April 2026 onward, under the oversight of the Company's Executive Officer in charge of accounting, the functions have been split into the accounting function responsible for statutory financial reporting and the business management function responsible for monitoring strategic execution.

Furthermore, the Company placed the accounting functions of Business Units and domestic Group companies directly under the governance of the Company's accounting function and established a framework for corporate involvement in personnel matters. Specifically, when deciding on the appointment or dismissal of the CFO of a Business Unit or domestic Group company, the Company's CFO reviews the proposal in advance and, in cases of dismissal, verifies the validity of the underlying reasons. Regarding personnel evaluations for heads of accounting at Business Units and domestic Group companies, the respective CFOs are required to report the evaluation results and justifications to the Company's CFO, enabling the Company's CFO to confirm the fairness and appropriateness of the assessments. These revised personnel procedures were communicated to all Business Units and domestic Group companies in April 2026.

This process safeguards CFOs and heads of accounting from unfair evaluations or dismissals, ensuring that the accounting organization can make objective accounting judgments free from the performance goals or influence of business divisions. This eliminates the former structure where the accounting department jointly pursued profit targets with business divisions, enabling the accounting function to serve effectively as a second line of defense.

Additionally, to guarantee that the organization reports accurate performance figures regardless of whether targets are unmet or exceeded, the Company established dual-reporting lines in April 2026. Specifically, the CFO of a Business Unit or domestic Group company reports to both the CEO of their respective unit and the Company's CFO. Similarly, the head of accounting reports to both their unit's CFO and the Company's Head of Accounting.

The Company issued operational guidelines on dual reporting to all Business Units and domestic Group companies to entrench these independent accounting practices. As a result, regular direct communication has been established between the Company's CFO and Head of Accounting, and the CFOs and heads of accounting across Business Units and domestic Group companies. In particular, through monthly operational reports, unit CFOs and heads of accounting directly report on their operating status, identified risks, and key accounting issues to the Company's CFO and Head of Accounting, receiving guidance and exchanging views on future action plans. The Company recognizes that this is fostering an organizational culture that encourages candid reporting of accurate financial results regardless of performance levels, reinforcing accounting independence while promoting respect for proper accounting practices.

(b) Securing accounting resources

The Company is currently in the process of reinforcing human resources within the Consolidated Accounting Group of the Accounting and Tax Department. The Company will continue to enhance its staffing structure by recruiting new graduates and mid-career professionals, as well as executing internal reassignments from other departments.

However, because internal personnel are presently allocated to implementing improvement measures and managing current financial closes, the Company has established an interim financial reporting structure leveraging external experts as an immediate measure to ensure financial reporting quality. The execution of consolidated financial closing operations is also progressing with active involvement from external resources. This framework complements operational practices and review functions that are difficult to cover solely with internal resources, securing financial reporting quality through objective external expertise.

Concurrently, for tasks with relatively straightforward handover processes, the Company collaborates with other groups within the Accounting and Tax Department as well as the Corporate Management Department. It also utilizes support from personnel seconded to business divisions and Group companies who possess practical consolidated accounting experience, thereby upgrading the financial closing capabilities of the organization as a whole.

Furthermore, over the next one to two years, the Company will foster accounting talent under the guidance of external experts to gradually achieve insourcing and autonomous operation. In parallel, the Company will execute measures to consolidate and streamline its overall accounting operations.

(c) Awareness raising and education on accounting

The Company is conducting mindset reform and educational programs for its accounting department and other operational divisions. In March 2026, to thoroughly disseminate the basic stance on compliance, the importance of responding sincerely to stakeholders including investors and markets, and the necessity of ensuring appropriate financial reporting, top management issued a message to all employees. In addition, the Company conducted an e-learning program for approximately 12,000 executives, officers, and employees across accounting, purchasing, production management, and sales divisions. This training aimed to reinforce a sincere attitude toward investors and markets, secure appropriate financial reporting, and enhance compliance awareness.

Specifically, participants deepened their understanding of the background leading to past accounting irregularities and its societal impact. Using actual cases of accounting irregularities, they engaged in case studies on identifying warning signs of accounting and financial reporting risks in field operations and learning the appropriate responses required upon detection. The Company considers this initiative directly aligned with promoting a sincere attitude toward investors and markets as recommended by the Third-Party Committee.

Furthermore, in September 2026, the Company conducted an e-learning program for accounting personnel across NIDEC to prevent the recurrence of accounting irregularities. This program was designed to deepen understanding of accounting irregularity cases and recurrence prevention measures, while instilling the code of conduct required for accounting personnel, thereby ensuring proper financial closing and financial reporting. Moving beyond mere knowledge acquisition, the program aimed to ensure that each accounting employee understands their responsibilities and exercises appropriate judgment and action in daily closing and financial reporting tasks.

The Company intends to conduct these training programs on an ongoing, recurring basis rather than as a one-time measure, with the next session planned around February 2027. Through these sustained efforts, the Company will continuously elevate the awareness and sensitivity of the accounting department and all employees toward financial reporting, making every effort to ensure training effectiveness in preventing the recurrence of accounting irregularities.

(d) Strengthening accounting governance

To strengthen accounting governance, through the experience gained from the accounting self-assessment—an initiative investigating the appropriateness of accounting practices across most Group companies from the fiscal year ended March 31, 2020, to the first quarter of the fiscal year ending March 31, 2026, under the management and oversight of the "Third-Party Committee"—a framework for efficient and effective communication among the Company, Business Units, domestic Group companies, and their subsidiaries is being actively built. The Company is steadily executing various measures, including the group-wide deployment and operation of NIAP (Nidec Global Accounting Policy Manual, a group accounting policy formulated upon the adoption of IFRS in 2017).

In addition, starting with the financial results for the fiscal year ended March 31, 2026, the Company established a new reporting process to escalate risk information arising in each group company's financial closing to the Company's Accounting and Tax Department. This enables the Company to centrally monitor and manage key accounting and financial reporting risks, including impairment risks. Through this new process, the Corporate Management Department, which oversees business management functions, comprehensively analyzes changes in the operating environment and financial data regarding the aggregated risk information. It appropriately evaluates whether initial business and investment plans remain highly feasible based on operational realities, while coordinating information with the Accounting and Tax Department.

Furthermore, key accounting and financial closing risk information is shared in a timely manner by the Company's CFO with the Executive Management Meeting and the Board of Directors. Relevant risk information regarding the fiscal year ended March 31, 2026, and the first quarter of the fiscal year ending March 31, 2027, was shared at the Executive Management Meeting held on August 26, 2026. In addition, the Company's CFO performs cross-group analyses and will strengthen cross-functional governance by holding regular meetings (approximately three times a year) with CFOs, heads of accounting, and business management managers of the Company, Business Units, and domestic Group companies. Most recently, a meeting was held in April 2026 to align on the purpose of this process, and a meeting scheduled for early December 2026 will focus on sharing and verifying key accounting risk information and the operational status of recurrence prevention measures.

Given that providing transparent and appropriate information to accounting auditors is indispensable for transparent financial reporting to investors and the market, the Company continuously shares key accounting and financial reporting risks with accounting auditors in a timely manner. The status for the fiscal year ended March 31, 2026, and the first quarter of the fiscal year ending March 31, 2027, was shared appropriately during the financial closing period. This ensures a system where information that could affect key audit judgments is communicated to accounting auditors comprehensively and without delay.

Through these initiatives, the Company aims to advance accounting governance across the entire Group while enhancing the effectiveness of preventing and promptly correcting accounting irregularities.

(vi) Clarification of accounting policies and proper operation

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

The Company reviewed the Group Accounting Policy in June 2026 based on this matter and the operational realities of each business. Specifically, regarding accounting judgment criteria that were not necessarily clear in the past, the Company has clarified its guidelines by holding multiple consultations with Business Units and domestic Group companies since March 2026 and adding specific guidance tailored to actual business conditions.

In addition, exception requests—which had compromised the effectiveness of NIAP—were abolished starting from the financial results for the fiscal year ended March 31, 2026, and the Company continues to enforce a policy of permitting no exceptions. Going forward, the Company’s accounting department will continuously monitor the operational status of NIAP and refine or update guidance as necessary, thereby thoroughly preventing inconsistent accounting treatments, unwarranted broad interpretations, and deviations from NIAP.

(b) Development of Group Accounting Policy

The Company is thoroughly disseminating the provisions of NIAP across all Group companies, including entities acquired through M&A. Specifically, the revised NIAP was deployed via briefing sessions held in June 2026 for CFOs and heads of accounting of Business Units and domestic Group companies, as well as through corporate notices issued to all units in June and July 2026. By publishing the revised policy on the internal information platform, the Company ensures widespread understanding and adherence beyond the accounting department to all relevant operational personnel.

Particularly during briefing sessions for global accounting teams, moving away from past practices of relying solely on interpreters, the Head of the Accounting and Tax Department conducted sessions directly in both Japanese and English, including live Q&A. This approach effectively communicated the rationale behind the NIAP revisions, specific judgment criteria, and practical operational notes, thereby fostering deeper understanding and institutionalization of NIAP.

Furthermore, in quarterly notices regarding accounting updates and key considerations issued by the Accounting and Tax Department to entities submitting reporting packages, the Company continuously reinforces compliance with NIAP. Most recently, a notice was issued in September 2026 ahead of the second quarter financial close for the fiscal year ending March 31, 2027.

Where a company submitting a reporting package serves as a sub-consolidation parent—consolidating its own subsidiary group before entering data into the reporting package—it is instructed to cascade these guidelines down to its sub-consolidation subsidiaries. Through these ongoing efforts, the Company ensures consistency in accounting treatment across the entire Group.

(c) Declaration of compliance with Group Accounting Policy

Effective from the first quarter of the fiscal year ending March 31, 2027, the Company introduced and currently operates a process wherein each Group company verifies and certifies its compliance with NIAP prior to submitting its reporting package. Specifically, using a checklist of key accounting issues developed based on the findings of the accounting self-assessment related to this matter, heads of accounting at Business Units and domestic Group companies review their status and formally certify their compliance with NIAP.

(d) Review of Business Units and domestic Group companies

The Company is strengthening supervision over the accounting departments of Business Units and domestic Group companies by having its Corporate Accounting Department conduct quarterly reviews to verify whether each Group entity is properly executing financial closes. The scope of these reviews extends beyond entities submitting reporting packages to include subsidiaries within sub-consolidation units, ensuring comprehensive coverage across the entire Group.

This review process aims to enhance financial reporting quality and reinforce headquarters' oversight by ensuring that, grounded in a correct understanding of NIAP, financial closing risks reported by Group entities are communicated to the Accounting and Tax Department in a timely manner, while continuously monitoring accounting treatments and consultation statuses with independent auditors.

Specifically, prior to and during each quarterly close, the Company verifies the submission status and content of financial closing risk reports provided by Group entities. If omissions or inaccuracies are identified, the Company follows up individually with the respective reporting entities to request updates or resubmissions—a workflow that commenced with the financial results for the fiscal year ended March 31, 2026. Furthermore, following each quarterly close, the Company will collect documented rationales of key accounting judgments made at individual Group entities to monitor whether required disclosures are properly recorded. This procedure is scheduled to become operational in December 2026.

(vii) Reform of the corporate culture

(a) Establishing a new organization to promote corporate culture reform

To strategically and flexibly promote corporate culture reform and enhance the transparency and speed of decision-making processes, the Company established the "Culture Transformation Lab" directly under the Chief Human Resources Officer (CHRO) on February 1, 2026. The Lab is led by a Lab Chief who previously oversaw product development and human resources at a Group company, supported by a full-time working leader who served as the chair of the Shinbokukai (the Company's employee-representative organization). Since its inception, the Lab has instituted regular meetings with the CEO and CHRO, individual Group companies, the Shinbokukai, and labor unions across Group entities to gather broad employee input. The Company will continue conducting these regular forums to continuously collect and deliberate on employee feedback, ensuring its direct escalation to management for swift decision-making and practical implementation into corporate measures.

(b) Conduct a corporate culture learning program based on employee level

To review the influence of the management philosophy advocated by Mr. Nagamori, the Company abolished morning group reading sessions of "The Challenging Road" and removed internal displays (such as posters) that strongly reflected his values and intentions across all domestic and overseas locations.

Furthermore, on July 30, 2026, the Company rolled out an online training program tailored for executives, managers, and general employees across major domestic and overseas Group companies. This training aimed to foster employee understanding of corporate culture reform initiatives, instill a shared recognition of the "correct standard" that serves as the foundation for the Company's ideal corporate identity, and drive behavioral change.

(c) Create opportunities for dialogue with employees

The Company actively drives internal communication through workshops at major operating locations, location interviews, and management-attended town hall meetings. These initiatives establish platforms for participants to exchange perspectives and deepen mutual understanding, while institutionalizing mechanisms to reflect on corporate culture and debate ideal values and behaviors. As of September 30, 2026, workshops and location interviews have been conducted across 15 domestic entities (including headquarters) and 28 overseas subsidiaries.

Executive management directly visits domestic and international facilities to convey leadership's commitment to reform, while holding town hall meetings to gather unfiltered feedback from frontline employees. Employee input received during these town halls is compiled alongside workshop findings to inform policy planning. Depending on the proposal's scope, management leverages regular executive alignment meetings with the CEO and CHRO to secure timely authorizations for swift decision-making, advancing cross-departmental implementation.

As of August 31, 2026, top management has conducted town hall meetings across a cumulative total of 21 locations worldwide. Furthermore, updates regarding policy evaluations and implementation statuses are published regularly on the internal portal site "NiDEPO," providing complete transparency into how employee feedback is being incorporated into actionable measures.

(d) Behavioral changes by management

In addition to the activities (a) through (c) outlined above in the Revised Improvement Plan and Status Report, the Company is implementing measures deemed necessary to transform its corporate culture. The implementation status of behavioral change measures by the Company's management and employees is detailed in this section (d) and section (e) below.

Following the establishment of the Third-Party Committee, the top management has continuously issued executive messages to all employees, encouraging them to express their opinions frankly. To ensure these ongoing messages resonate more effectively with staff, the Company updated its monthly all-hands meeting format; rather than merely projecting slide decks, live video feed featuring the speakers' facial expressions is streamed. Furthermore, depending on the topic, not only top management but also responsible executive officers address employees directly in person.

To achieve a complete "breakaway from being 'Mr. Nagamori's company'" and steadily advance Group-wide transformation under the new leadership structure, the Company formulated the "Re-Definition Declaration" led by top management. Disclosed internally on April 1, 2026, this declaration establishes the roadmap for future reforms and the Group's aspirational vision. Following its release, the Company convened an executive retreat to align on future strategic directions and instill the principles of the Re-Definition Declaration. All corporate executives—including overseas leadership—attended the retreat, participating in active discussions on the Group's target state and future cultural reform roadmap from a global perspective.

Note that the Re-Definition Declaration represents a provisional redefinition of the Group's direction at this stage. Building on this foundation, the Company is concurrently evaluating a more fundamental corporate philosophy (Purpose), targeting formal adoption within the current fiscal year.

(e) Behavioral changes by employees

The Company is also implementing various measures reflecting direct employee feedback. For instance, to reduce psychological barriers in workplace communication and foster an open environment for sharing opinions, the Company launched an initiative encouraging staff to address colleagues using the title "-san" regardless of job rank or official position.

Furthermore, by upgrading working conditions based on employee input, the Group seeks to break away from its historical corporate culture—which prioritized short-term profits and cost reductions above all else across every level of operations—thereby demonstrating in concrete terms its commitment to respecting and valuing every individual worker. Concurrently, the Company continues to build physical and digital workplace environments that naturally foster spontaneous interaction and informal communication.

Additionally, to deepen inter-employee ties and revitalize day-to-day engagement, the Company instituted a dedicated "Gratitude Week." Recognizing that opportunities to express appreciation are often limited in routine operations, management proactively created this platform to strengthen interpersonal bonds and fundamentally transform everyday communication norms. This initiative generated numerous messages of appreciation, receiving positive employee feedback such as, "It was a wonderful initiative because we rarely have the opportunity to express gratitude during normal working days."

(f) Activities in various headquarters departments, Group companies, and global entities

The initiatives outlined in (a) through (e) above are progressively expanding across the Company's various departments, Group companies, and global entities, with progress actively shared both internally and externally.

In parallel with the Culture Transformation Lab's efforts, workplace-tailored improvement activities have commenced within corporate departments and Group subsidiaries. For example, based on employee suggestions, the General Affairs Department introduced an in-office light snack service. Meanwhile, within the Small Motor Business Unit and domestic subsidiaries such as Nidec Precision and Nidec Drive Technology, independent culture reform initiatives tailored to specific organizational challenges have been launched. These local teams coordinate closely with the Culture Transformation Lab, accelerating progress through ongoing information sharing.

Reflecting these efforts, employee feedback highlights tangible change, such as: "Seeing executives—with whom we previously had little contact—visit our workplace and engage in direct dialogue makes me truly feel that the company is transforming."

This momentum for reform is expanding beyond Japan onto a global scale. The Company is actively integrating HR functions, which were historically managed independently by individual regions and facilities, into a globally coordinated framework. As part of this initiative, an international conference brought together regional HR representatives to deepen mutual understanding and strategize on future global collaboration. Moving forward, the Culture Transformation Lab will strengthen its alignment with this global HR network, driving corporate culture reform in lockstep across all operating countries.

Furthermore, using the accounting incident as a catalyst for reflection, individual operating sites are advancing voluntary compliance initiatives. For instance, Nidec Automotive Motor (Zhejiang), under the Automotive Business Unit, translated the Improvement Plan into Chinese, framed the incident as a relevant local issue, and held study workshops to evaluate local challenges and future action items. Similarly, Nidec Philippines, under the Small Motor Business Unit, responded to the Re-Definition Declaration by formulating local policies that pivot away from a profit-centric mindset to prioritize integrity and product quality. These principles were communicated during a company-wide morning assembly, with instructions for all departments to cascade the policies throughout their respective teams.

(g) Ensuring transparency of implementation status

Measures evaluated by the Culture Transformation Lab and deployed across corporate departments and Group entities are published on the internal portal "NiDEPO," with status updates and future directions routinely posted. This enables employees to directly track how their feedback is being addressed, bolstering the transparency of employee opinion processing. Furthermore, to communicate reform progress, upcoming milestones, and strategic initiatives transparently to external stakeholders, the Company launched the "Nidec Journal" on July 9, 2026. By regularly publishing updates on this platform, the Group aims to foster stakeholder understanding while restoring and elevating market trust.

Through these multi-faceted initiatives, tangible signs of cultural change are gradually emerging across the Group, albeit within a limited scope at present. For example, some employees noted: "Corporate initiatives are far more visible than before, and seeing positive changes nearby gives me confidence in our future transformation."

Nevertheless, management recognizes that corporate culture transformation has not yet reached a level where all employees perceive these changes. During internal workshops, feedback was raised such as: "While I am aware of the Culture Transformation Lab's activities, I do not yet feel that my own workplace or the company has fundamentally changed." The Company acknowledges that current progress remains in an early transitional phase, and that many frontline employees have yet to experience concrete improvements in their daily work environments.

To quantitatively measure employee perception and workplace realities, the Company will administer a global Engagement Survey in October 2026. While individual subsidiaries have conducted independent surveys previously, this marks the first unified, Group-wide global survey in the Company's history. Moving forward, management will analyze survey findings to design targeted action plans, continually translate employee feedback into concrete remedies, and report implementation progress directly to staff.

The Group is committed to advancing cultural reform through top-down executive leadership paired with bottom-up employee autonomy. Ensuring that these initiatives are not merely a one-off effort, management will continuously evaluate implementation progress and operational efficacy, refining measures as required. Through the sustained execution of these systematic efforts, the Company will catalyze lasting behavioral change across individual employees, institutionalizing a transformed corporate culture throughout the entire Group.

(viii) Restructuring the group governance system

In April 2026, the Company formulated the Group Governance Policy as a set of fundamental principles outlining its overarching governance approach across the entire Group, subsequently disseminating it nationwide and globally. Concurrently, the Company established a global Approval Authority Matrix based on Group-wide standards, clarifying mandate rules that require prior headquarters approval for significant capital investments and operational expenditures exceeding specified thresholds at individual Group entities.

Regarding Group Policies—including the Group Governance Policy and other regulations mandating group-wide compliance—the Company not only issues formal notices to each subsidiary but also publishes them on the corporate intranet portal ("NiDEPO") accessible across all entities. The designated department issuing each policy leads rollout initiatives, including explanatory briefing sessions and video distribution. Furthermore, the Company obtains formal acknowledgments (via survey responses) from executives and managers overseeing local policy dissemination at each entity to confirm their understanding of communication requirements, thereby ensuring thorough compliance alignment across all Group entities.

(ix) Enhancement of compliance education

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

Since January 2026, the Company has conducted monthly compliance onboarding sessions—delivered in-person or virtually—for all newly hired mid-career personnel. Additionally, as part of the June 2026 training program for newly appointed managers, the Company delivered online compliance modules tailored for newly promoted leaders. This curriculum focuses on managerial responsibilities from a risk and compliance perspective, highlighting critical compliance topics requiring heightened operational vigilance.

(b) Thorough compliance education throughout the Group and continuous dissemination of this Issue

In March 2026, the Company delivered an e-learning compliance program to approximately 12,000 executives and employees across accounting, purchasing, production management, and sales divisions. Utilizing actual historical accounting fraud cases as case studies, the training aimed to thoroughly instill an attitude of uncompromising integrity toward investors and the market, ensure proper financial reporting, and enhance compliance awareness across operations.

To sustain continuous compliance momentum across the entire Group, in July 2026, the Company conducted an online compliance education program for all Group executives and employees. Centered on the Incident, the program communicated its background, root causes, and key lessons learned to all personnel. Management determined that this initiative directly aligns with the recommendations of the Third-Party Committee to thoroughly enforce integrity toward investors and capital markets.

(x) Review of personnel evaluation system

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

As part of overhauling the personnel evaluation system, the Company revised target-setting criteria for managers. Concurrently, to centralize human resource data and strengthen both performance evaluations and employee development, the Company decided to introduce a global HR management system, with implementation preparations currently underway.

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

To ensure the rigorous and appropriate execution of personnel evaluations, the Company held briefing sessions for all employees in March 2026. For evaluators, the Company delivered target-setting training in April and evaluator training in September. Domestic Group subsidiaries conducted equivalent briefing sessions and evaluator workshops in April and September.

The April target-setting and September evaluator sessions addressed core principles of objective target-setting, the underlying rationale of the evaluation framework, methods for conducting fair and transparent reviews, expected evaluator roles, and effective evaluation feedback. Additionally, mandatory compliance goals for managerial staff were integrated into the curriculum, reinforcing that managers must prioritize compliance and ethical judgment over short-term financial performance. Furthermore, the Company reinstated managerial tier-based training—previously suspended in recent years—to reaffirm managerial roles and heighten awareness around talent development and organizational stewardship. Specifically, General Managers utilized an "Organizational Culture Diagnostic" to analyze department-specific challenges and establish practical action plans. Group Leaders and Team Leaders underwent a "Leadership Diagnostic" to identify strengths and development areas, engaging in practical training focused on tea

To continuously monitor whether evaluation operations adhere to corporate standards, from May to June 2026, the Company conducted sample-based audits of evaluation forms across Group companies to verify alignment with current-period target-setting guidelines, instructing adjustments where necessary. Concurrently, headquarters reviewed the specific content and weighting of managerial targets across Group entities to ensure consistency with Group-wide policies, with the HR department directing corrective action for non-compliant implementations.

Furthermore, in December 2026, the Company will administer a comprehensive survey covering target-setting and evaluation interviews to verify whether evaluation practices align with the core purpose of the system. Based on survey findings, management will formulate and implement necessary refinements to evaluation policies and operational methods.

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

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

To refine the formulation of business plans and strengthen progress monitoring, the Company revised the Board of Directors Regulations in March 2026. This amendment streamlined business plan agenda items submitted to the Board while establishing a "Board Deliberation Schedule" approved by the Board, thereby institutionalizing a framework for dedicated Board review of business plans.

Pursuant to this framework, the FY2026 Business Plan was submitted to the Board of Directors on March 31, 2026, where it was deliberated and formally approved. During these deliberations, the Board evaluated plan feasibility, focusing on the incorporation of potential management risks and bottom-up operational insights submitted by individual business units.

Regarding progress monitoring, monthly updates for April 2026 were presented to the Executive Management Committee on May 29 and to the Board of Directors on June 3. Subsequent updates for May were reported to the Executive Management Committee on June 24 and to the Board on July 8.

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

In May 2026, the Company revised its Risk Management Regulations and Crisis Management Regulations, clearly defining material risk information requiring escalation to the Board of Directors alongside criteria for reporting thresholds. Additionally, in March 2026, the Board of Directors Regulations were amended to mandate that any material risk information identified by the Risk Management Committee, Compliance Committee, or Chief Compliance Officer (CCO) must be formally submitted to the Board, thereby establishing an institutional framework ensuring reliable risk disclosures.

Through September 30, 2026, disclosures of significant incidents (e.g., a ransomware attack at a Taiwanese subsidiary) were reported to the Board by the responsible executive officer as part of executive management reporting items; no separate material risk escalations were triggered directly by the Risk Management Committee or Compliance Committee during this period. Furthermore, regarding critical risk status verified by the Finance & Accounting Division (CFO organization), management presented updates to the Group Executive Management Committee on August 26, 2026, and to the Board of Directors on September 3, with quarterly reporting scheduled moving forward.

Because the Group Executive Management Committee serves as a strategic forum for broad deliberations on business risks and strategic challenges, key discussion outcomes are systematically shared with the Board. Most recently, at the July 8, 2026 Board meeting, specific risk matters—including the Taiwanese ransomware incident and sector-specific operational risks—were disclosed under executive reporting items. Furthermore, minutes of the Group Executive Management Committee are distributed to all Directors via a secure shared drive, enabling Board members to continually monitor discussed risk topics. In addition, Audit and Supervisory Committee members attend every Executive Management Committee meeting as observers, leveraging this platform to gain direct visibility into executive deliberations and material risk disclosures.

Additionally, the Company hosts informal lunch sessions following regular Board meetings, providing a dedicated forum for independent exchange of views solely among Outside Directors.

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

The Corporate Administration & Internal Audit Department regularly submits internal audit findings—including summaries of audit execution, results, and material findings—to the Audit and Supervisory Committee quarterly (with reports for FY2026 already completed at committee meetings held on April 22 and July 22, 2026). Additionally, quarterly tripartite liaison sessions are conducted among the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and the Accounting Auditor to align on internal control challenges (sessions were completed on April 22 and July 22, 2026).

Furthermore, as part of operational audits conducted by the Audit and Supervisory Committee, the Company strengthened direct dialogue with executive directors and executive officers. Specifically, consultative sessions were conducted with the Chief Legal Officer (CLO) on February 7, May 8, and August 4; with the Deputy CFO on April 4 and July 8; and with the Chief Executive Officer (CEO) on June 3 and September 3, 2026.

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

At its meeting on May 9, 2026, the Nomination Committee revised the skills matrix defining the "Expertise and Experience Expected of Directors." Based on this updated matrix, the committee finalized director candidate proposals and submitted its formal recommendations to the Board of Directors on May 13, 2026. Specifically, for Outside Directors, the framework prioritized nominating individuals possessing key expertise in Legal & Compliance, Finance & Accounting, Governance & Risk Management, Corporate Management Experience, and Capital Markets Knowledge. For Internal Directors, it recommended nominating Executive Officers overseeing administrative functions as Board members to ensure that compliance and risk management issues are proactively identified and addressed. Following the Nomination Committee's recommendations, the Board of Directors approved the slate of director candidates. All company-proposed candidates were subsequently elected at the 53rd Ordinary General Meeting of Shareholders held in June 2026. For details regarding the new composition of the Board of Directors, please refer to the "Notice of Convocation of the 53rd Ordinary General Meeting of Shareholders" (dated May 27, 2026) and the "Notice of Resolutions of the 53rd Ordinary General Meeting of Shareholders" (dated June 18, 2026).

(e) Enhancing the system to support outside directors

To strengthen the operational capabilities of the Board Secretariat, the Company established the Board of Directors Office on June 1, 2026. Furthermore, the official responsibilities of the Board of Directors Office were updated to explicitly designate it as the primary contact point when Outside Directors engage external experts. As a concrete example, when an Outside Director serving on the Audit and Supervisory Committee requested membership in the Japan Audit & Supervisory Board Members Association and attendance at its training seminars, the Board of Directors Office served as the liaison, facilitating the application and enrollment process.

Additionally, to support newly appointed Outside Directors elected at the Ordinary General Meeting of Shareholders upon assuming office, executive management conducted multiple briefing sessions from June 2026 onward. These briefings provided comprehensive information covering corporate and organizational structures, operational overviews, current corporate challenges and progress on remediation, and the Five-Year Corporate Reform Plan.

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

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

The Company updated its selection criteria for Executive Officers to a global, standardized framework applicable to the Company's Global Executives and CEOs of domestic Group subsidiaries, formally revising the Executive Officer Regulations. Specifically, the Company incorporated key prerequisites into Executive Officer requirements—such as high ethical standards and compliance awareness, leadership through organizational development and talent cultivation, and forward-looking strategic planning and execution—while expanding the scope of application to include Global Executives and domestic subsidiary CEOs. Furthermore, key focus areas tailored to the changing business environment are deliberated by the Nomination Committee and reflected in nomination decisions. Additionally, the Company established explicit dismissal criteria for Executive Officers, enabling formal dismissal deliberations if a candidate fails to satisfy selection standards, commits misconduct, or engages in material violations of laws, regulations, or internal rules.

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

To construct a more objective and transparent selection process, the Nomination Committee formulated new selection criteria in April 2026. Prior to this, external assessments were conducted for Executive Officer candidates appointed during the April 2026 selection cycle. Moving forward, the Company will systematically supply the Nomination Committee with candidate compliance screening results, internal performance evaluations, and external assessment findings, establishing a multi-dimensional framework for nomination decisions. Furthermore, reflecting feedback from Outside Directors serving on the Nomination Committee regarding the need for expanded candidate engagements, the Company conducts candidate interviews from an early stage in the selection process. Additionally, the Company enhances candidate touchpoints through project briefings during pre-Board sessions and informal lunch meetings during facility visits, fostering a deeper understanding of each candidate.

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

(a) Review of evaluation criteria for executive remuneration

To reinforce governance and performance alignment, the Company redesigned its executive compensation evaluation framework. In March 2026, new evaluation criteria were established for Short-Term Incentives (STI). In addition to traditional single-year net sales, operating profit, and Free Cash Flow (FCF) metrics, the updated FY2026 framework incorporates evaluation parameters focused on internal control effectiveness, thereby aligning executive incentives with operational process quality and medium- to long-term value creation. Furthermore, to ensure compensation consistency across the entire Group, the Company standardized these evaluation criteria globally in April 2026, expanding their scope of application.

Moving forward, the Company will continuously assess the implementation and operational efficacy of these metrics. Taking into account evolving business environments and strategic priorities, management will ongoingly review and refine the executive compensation system to maintain an optimal structure.

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

Since the start of FY2026, the Remuneration Committee has convened three times between April and June under the newly enacted Remuneration Committee Regulations. During these sessions, the Committee evaluated appropriate compensation levels by benchmarking proposed candidate packages against position-specific market data.

Furthermore, proposed remuneration amounts for CEOs of domestic Group subsidiaries were consolidated by the Company's Human Resources Department to verify that calculations complied with newly established Group-wide standardized criteria. The findings were formally presented to the Remuneration Committee and documented in the official minutes, thereby reinforcing operational effectiveness and safeguarding process transparency.

Regarding compensation for executive officers of domestic Group subsidiaries, the Company's Human Resources Department provided each entity with proposed remuneration amounts calculated under the unified Group criteria. Individual subsidiaries subsequently evaluated the appropriateness of these proposals against their specific operational parameters. Where adjustments were deemed necessary, subsidiaries submitted revised proposals to headquarters; following review by the Company's Human Resources Department—which validated adjustments against historical compensation data and underlying rationales—final remuneration decisions were formally adopted by the respective Boards of Directors of each subsidiary.

(xiv) Strengthening the internal audit system

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

The Corporate Administration & Internal Audit Department has instituted quarterly reporting to the Audit and Supervisory Committee, with formal sessions held in April and July 2026. Specifically, the department reports on the current fiscal year's internal audit plan and presents the findings of internal audits executed year-to-date. Furthermore, through recurring information sharing, the Audit and Supervisory Committee routinely verifies that structural conditions ensuring the independence of the Corporate Administration & Internal Audit Department are maintained. This framework is constructed to prevent the recurrence of improper internal audit practices—such as past ad hoc "special-mission audits" operating under ambiguous mandates or the unauthorized partial deletion of audit interview minutes.

Additionally, as outlined in (xi)(c), to elevate audit effectiveness via a tripartite audit structure (three-way audits), quarterly liaison meetings connecting the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and the External Accounting Auditor were established, with sessions conducted in April and July 2026. In these meetings, the three parties outline their respective audit plans, deliberate optimal information-sharing protocols, and collaborate to enhance overarching audit rigor.

To ensure the reporting structure functions with substantive authority, the Audit and Supervisory Committee exercises partial governance authority over key personnel matters, thereby fortifying the internal audit department's independence. Specifically, the Audit and Supervisory Committee Regulations were amended to explicitly require the Committee's prior consent for the recruitment, appointment, or transfer of the Head of the Corporate Administration & Internal Audit Department, with operations under these updated rules commencing in April 2026.

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

By reinforcing internal audit personnel through new hiring and internal transfers, the Company will expand the number of legal entities audited annually, building a robust internal audit system capable of delivering comprehensive oversight. Specifically, four new auditors have joined the internal audit department since April 2026. Furthermore, the Planning and Management Group—newly established within the Corporate Administration & Internal Audit Department in April 2026—is actively standardizing audit working papers and creating standardized checklists for each audit domain.

To enhance the sophistication of internal audits and standardize risk assessments previously dependent on individual skills, the Company is deploying data-analytics capabilities to compute risk scores for Group entities during the audit planning stage. Concurrently, to visualize audit progress and centralize audit data, management has commenced evaluations for introducing IT-driven audit tools, assessing functional requirements and implementation feasibility.

Regarding FY2026 internal audits, as of September 30, 2026, the Company completed on-site audits across 32 legal entities, with additional on-site audits scheduled for 48 entities from October onward. Management plans to complete on-site audits for all Group companies within approximately three years. Furthermore, audit findings are systematically tracked by the Corporate Administration & Internal Audit Department, which coordinates with headquarters supervisory divisions as needed to drive governance improvements across the Group.

In addition, since May 2026, the Company initiated internal audits targeting non-financial operational domains, focusing on remediation measures outlined in the Revised Improvement Plan and Status Report. Operating as the "Third Line" of defense, the Corporate Administration & Internal Audit Department monitors the oversight activities conducted by operational supervisory divisions (the "Second Line"). Specific internal audit items added in FY2026 include:

- Framework development, formulation processes, and authorization protocols for business plans
- Budget-versus-actual variance analysis and performance management processes
- Independence of financial accounting functions and accounting governance
- Execution and oversight of corporate culture reform processes
- Crisis management framework development and emergency reporting lines
- Process for establishing, amending, and enforcing corporate regulations
- Compliance management systems (including international trade compliance)
- Implementation status and effectiveness of compliance training programs
- Revisions to personnel evaluation systems for the Company and domestic Group entities
- Selection and nomination processes for Executive Officers at the Company and domestic Group entities
- Executive remuneration determination processes for the Company and domestic Group entities
- Whistleblower investigation frameworks, operational manuals, and reporting lines

(xv) Improvement of whistle-blowing system

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

To improve the operational effectiveness of its whistleblower framework, the Company revised compliance-related regulations, mandating that all officers and employees report suspected compliance violations while explicitly stating that failure to comply with this obligation may result in disciplinary action. Furthermore, to elevate system awareness and reassure employees so they may utilize reporting channels without hesitation, the Company ensured that the whistleblower framework—including robust whistleblower protections—was thoroughly communicated during various compliance training programs. The Company also redistributed informational whistleblower posters to Group entities for prominent display across workplaces.

Driven by enhanced awareness resulting from these educational and communication initiatives, the number of internal reports received in the first quarter of FY2026 surged by 93 cases year-on-year to 141 cases. (This increase is attributed to multiple combined drivers, including the issuance of executive messages from top management and the establishment of employee suggestion boxes.) The Company will continue to foster deeper understanding and active adoption of the system through ongoing training programs and internal communication platforms.

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

In April 2026, the Company operationalized a reporting mechanism to track the status of whistleblower reports and investigation progress from domestic Group companies and their subsidiaries. In July 2026, the Company initiated structured monitoring via quarterly regular reports received from each Group company to confirm whether timely and appropriate remedies are being executed. During the FY2026 Q1 review conducted in July, a total of 30 internal whistleblower reports were logged across subsidiaries, with no critical cases requiring immediate headquarters intervention.

(c) Coordinating information for appropriate response to reports

The Company's Compliance Department submitted a total of four reports regarding internal whistleblower matters to the Audit and Supervisory Committee between October 2025 and August 2026. Furthermore, in July 2026, the department instituted monthly status reporting on whistleblower cases specifically for full-time Audit and Supervisory Committee Members.

(xvi) Strengthening the system for responding to reports

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

To eliminate quality inconsistencies in report handling, the Company developed a practical manual for personnel tasked with investigating whistleblower reports. Moving beyond basic statutory requirements, the manual documents operational workflows and standardized procedures spanning issue detection, fact-finding, and corrective action to guide investigative practice. In addition to the Compliance Department, the manual was distributed to Regional Compliance Officers as well as Compliance Officers and Promoters assigned to each corporate entity. Concurrently, the Company conducted training sessions in April 2026 to ensure deep comprehension of the manual.

Furthermore, in July 2026, the Company delivered online training sessions led by external legal and compliance experts for investigation personnel at domestic Group subsidiaries. Utilizing concrete case studies, the curriculum focused on navigating complex or ambiguous whistleblower scenarios. The Company will continue providing structured educational programs on an ongoing basis.

(b) Expansion of the investigation system

To ensure that internal investigations are conducted thoroughly and without delay—unhindered by internal resource constraints or expertise gaps across the Company and its Group entities—the Company partnered with outside law firms specializing in corporate investigations, establishing a robust framework for rigorous fact-finding and remediation. Management will continue to gather information broadly from internal and external channels, carefully examining and investigating all leads to ensure prompt and appropriate actions based on case specifics.

Furthermore, regarding matters expected to carry potential financial impacts, the Company is committed to building an even more dependable governance structure, including executing all necessary financial and accounting adjustments.

(xvii) Stricter disciplinary measures

Stricter disciplinary standards and operational processes

Regarding the tightening of disciplinary standards and operational process revisions, the Company prepared explanatory materials for employees in April 2026. In addition to publishing announcements on the corporate intranet portal and distributing direct email notifications, the Company conducted briefing sessions across operational sites and Group entities to ensure widespread compliance awareness. Furthermore, leveraging intelligence gathered outside dedicated whistleblower channels—such as exit interviews—the Company established an operational framework coordinating inter-departmental investigation and disciplinary procedures, which commenced operations in May 2026.

Currently, case details brought before disciplinary committees across the Company and domestic Group entities are systematically reported to the Human Resources Department and Compliance Department. Through centralized information sharing, the Company ensures fair and impartial disciplinary actions while heightening organizational awareness regarding recurrence prevention. Additionally, the Company mandates that employees complete annual training sessions utilizing actual disciplinary cases as case studies. For FY2026, the Company expanded the target audience beyond the initially planned Executive Officers and managerial staff, conducting comprehensive compliance sessions for all Group employees in July 2026.

(xviii) Clarification of responsibility

On March 13, 2026, the Company established the "Executive Responsibility Investigation Committee," comprised solely of outside experts, by resolution of the Board of Directors and the Audit and Supervisory Committee.

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                    |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Objective of establishment | Regarding the instances of improper accounting disclosed in the Third-Party Committee's investigation report, and, based on such report, to enable the Company to make an appropriate and fair determination regarding the legal liability — including liability for breach of duty in the execution of their responsibilities — of individuals who served as directors, auditors, or executive officers during the period covered by the Third-Party Committee's investigation (fiscal year 2020 through the first quarter of fiscal year 2025), the purpose of the Executive Responsibility Investigation Committee is to investigate and examine those matters and, on that basis, prepare reports and make recommendations. |                                                                    |
| Chairperson                | Shin Kikuchi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Attorney at Law (Gaien Partners)                                   |
| Member                     | Haruka Matsuyama                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Attorney at Law (Hibiya Park Law Offices)                          |
| Member                     | Kenichi Akiba                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Certified Public Accountant; Professor Emeritus, Waseda University |
| Scope of investigation     | Individuals who served as directors (including the Audit and Supervisory Committee members), auditors, or executive officers between fiscal 2020 and the first quarter of fiscal 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                    |

Regarding the series of accounting fraud issues in the Group, the Executive Responsibility Investigation Committee, composed of external experts with no conflicts of interest with the relevant subjects, is still conducting investigations and examinations regarding the presence or absence of legal liability, including whether there was liability for neglect of duties regarding the execution of duties, for the current and former Directors, Audit & Supervisory Board Members, or Executive Officers of the Company. Based on the reports and recommendations of the Executive Responsibility Investigation Committee, the Company plans to determine whether to file claims for damages or take other legal actions. Through these responses, the Company will seek to fundamentally strengthen its governance structure, thoroughly enforce compliance, and steadily advance initiatives for restoring trust. Also, regarding staff in tiers below Executive Officers and executives and employees of Group companies, the Company implemented strict disciplinary actions based on the facts.

(Personnel measures in response to the Third-Party Committee's investigation report)

As stated in the "Announcement Regarding the Disclosure of the Third-Party Committee's Investigation Report and Our Company's Response" dated March 3, 2026, it has been determined that numerous instances of improper accounting were carried out over a prolonged period at multiple locations. Former Member of the Board of Directors and Chairman, Hiroshi Kobe; former Executive Vice President (Executive General Manager of the Small Platform Motor & Solutions Business Unit and in charge of managing Group Companies Performance Management Department), Yoshihisa Kitao; former Senior Vice President (Chief Financial Officer), Akinobu Samura; and former Executive Consultant (Executive General Manager of the Machinery and Automation Business Unit), Tatsuya Nishimoto have resigned from all positions effective March 3, 2026. Former First Senior Vice President (Executive General Manager of Appliance and Automotive Division), Valter Taranzano, who was suspended from his duties effective March 2, 2026, has resigned effective March 23, 2026, as stated in the "Announcement Regarding Receipt of the Third-Party Committee's Investigation Report (Final Report) and Our Company's Response" dated April 17, 2026.

In addition, Directors and Vice Presidents (the titles below are as of April 27, 2026) have forgone their remuneration as follows

|                                                                                     |                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative Director and President (CEO)                                         | 100% of monthly base compensation (until the submission of the Written Confirmation of Internal Management System)<br>The Written Confirmation of Internal Management System is scheduled to be submitted by the end of October 2026. |
| First Senior Vice Presidents)                                                       | 50% of monthly base compensation (for 4 months)                                                                                                                                                                                       |
| Senior Vice Presidents                                                              |                                                                                                                                                                                                                                       |
| Vice Presidents                                                                     |                                                                                                                                                                                                                                       |
| Members of the Board of Directors (Audit and Supervisory Committee Members)         | 30% of monthly base compensation (for 4 months)                                                                                                                                                                                       |
| Outside Members of the Board of Directors                                           |                                                                                                                                                                                                                                       |
| Outside Members of the Board of Directors (Audit and Supervisory Committee Members) |                                                                                                                                                                                                                                       |

#### **(4) Designation as a Security on Special Alert**

NIDEC CORPORATION (hereinafter referred to as "the Company") received notification from the Tokyo Stock Exchange, Inc. on October 27, 2025, that its shares would be designated as a Security on special alert starting October 28, 2025, as detailed below.

1) Reasons for Designation as a Security on Special Alert The Company has received the following observations from the Tokyo Stock Exchange, Inc.:

The Company announced on Jun. 27, 2025 that it would extend the submission deadline for the annual securities report for the fiscal year ended Mar. 2025 to Sep. 26 of the same year. This extension was made to allow time for an investigation into issues related to international trade at its Italian subsidiary. Later, on Sep. 3, the Company further disclosed that it had decided to establish the Third-Party Committee to investigate newly discovered concerns about inappropriate accounting practices at its Chinese subsidiary involving a lump-sum payment representing a discount for a purchase from a supplier, as well as concerns that, with the involvement or awareness of their respective management teams, the Company and its Group companies may have arbitrarily decided the timing for writing down the value of certain assets.

Subsequently, on Sep. 26, the Company issued an "Important Notice Regarding Annual Securities Reports, etc." stating that the investigation by the Third-Party Committee was still ongoing, and that it had submitted the annual securities report without the results of the investigation being reflected in the consolidated financial statements or other included information. The notice also stated that there had been a material weakness in internal control over these matters. The annual securities report submitted by the Company included an audit report containing a disclaimer of opinion.

These disclosures, submissions, and other information revealed the following facts:

- Despite extending the submission deadline for the annual securities report by approximately three months, the Company submitted the report with an audit report that included a "disclaimer of opinion." This suggests that the Company has still not been able to disclose accurate financial results, and there remains a possibility that past fiscal year accounts may need to be corrected.

- Since the initial issue was discovered, the scope of the investigation has continued to expand. Even though a considerable amount of time has passed, the completion date of the Third-Party Committee's investigation remains uncertain. As a result, the Company has not been able to provide investors with a clear outlook on when its financial reporting schedule will return to normal.

- Although the Third-Party Committee's investigation is still ongoing, deficiencies have already been identified in the Company's company-wide internal control systems (particularly in areas related to information and communication), as well as in the internal controls related to its accounting and financial closing processes. In light of these findings and considering the likelihood that they could have a significant impact on the Company's financial reporting, the Company has determined that these deficiencies constitute material weaknesses that should be disclosed.

As described above, the audit report attached to the financial statements in the annual securities report, which forms the basis for appropriate investment decisions, contains a disclaimer of opinion, and TSE deems that improvements to the Company's internal management system, etc. are highly necessary.

As such, TSE designates the stock as a Security on Special Alert. Furthermore, the investigation by the Company's Third-Party Committee is still ongoing, and its results may reveal new facts or lead to corrections of past fiscal years' financial statements. In view of this, Japan Exchange Regulation (JPX-R) will continue its examination of the Company regarding its disclosure of corporate information and enforcement measures. Should any new issues come to light, TSE may consider taking additional measures as necessary.

2) Date of Designation as a Security on Special Alert

October 28, 2025 (Tuesday)

### 3) Period of Designation as a Security on Special Alert

The designation period will generally be one year from October 28, 2025. After one year, the Company will submit an internal control system confirmation report, and the Tokyo Stock Exchange, Inc. will review the internal control system. If no issues are found with the internal control system, the designation will be lifted. However, if issues are found, the Company will, in principle, be delisted.

If, upon review after one year from the designation, the internal control system is deemed to be appropriately established but not appropriately operated (limited to cases where there is an expectation of appropriate operation), the designation as a Security on Special Alert will continue. In such a case, the Company will be required to improve the operational status of its internal control system by the review following the end of the business year in which the continuation of the designation was decided (or the next business year if the period from the decision date to the end of the business year is less than three months). If the internal control system is deemed to be appropriately established and operated, the designation will be lifted. If the internal control system is not deemed to be appropriately established or if there is no longer an expectation of appropriate operation, the Company will be delisted.

If the internal control system is deemed to be appropriately established but not appropriately operated (limited to cases where there is an expectation of appropriate operation), the designation may continue for a maximum of three business years from the review following the end of the business year in which the continuation of the designation was decided (or the next business year if the period from the decision date to the end of the business year is less than three months), during which time the review will be conducted.

### 4) Progress toward lifting the designation as a Security on Special Alert

The implementation of the improvement measures set forth in the Revised Improvement Plan and the Status Report announced on April 27, 2026 is being carried out as appropriate. For details on the status of implementation, please refer to “(3) Status of Implementation of the Improvement Plan and Status Report.”

In addition, we received the investigation report from the Third-Party Committee on April 17, 2026, and the investigation by the Third-Party Committee has been completed.

## 2. Views and Initiatives on Sustainability

In response to governance and corporate ethics challenges such as a series of improper accounting issues and product quality issues that surfaced during the reporting period, NIDEC is currently prioritizing group-wide initiatives to restore stakeholder trust and fortify its operational governance.

To rebuild the foundation of trust essential for sustainability-minded management, NIDEC has reassessed its sustainability governance framework and materiality approach unconstrained by legacy practices. NIDEC is currently undertaking a comprehensive materiality refresh for full operational rollout under a renewed sustainability management system starting next fiscal year. Guided by direct executive leadership, this process combines multifaceted interviews and surveys with customers, business partners, investors, and independent experts, alongside global employee sentiment and issue mapping. The Company will earnestly address internal and external stakeholder expectations, redefine its material issues, and embed sustainability into its core management strategy. To ensure rigorous oversight of this materiality refresh and strengthen governance going forward, the Company reconstituted the Sustainability Committee on June 18, 2026, further increasing the proportion of independent outside directors, who already comprise the majority. The Committee actively oversees each key phase of the materiality assessment. Furthermore, the Company is streamlining the reporting mechanisms between the executive-level Sustainability Promotion Meeting and the supervisory Sustainability Committee to maximize decision-making effectiveness. The table below outlines materiality targets and initiative outcomes under the previous five-year materiality framework through FY2025. The newly defined material issues currently under review will be disclosed in the subsequent Annual Securities Report and on the Company's website upon completion of the refresh process.

| Category      | Materiality                                | Themes to be addressed        | Sub-theme                                      | Targets for FY2025 (five-year target)                                                                                                                                                                                                                    | FY2025 (five-year target) results of initiatives                                                                                                                                                                                                                                                                                        |
|---------------|--------------------------------------------|-------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental | Contribute to environmental sustainability | Realize a carbon-free society | Contribute to decarbonization through products | Cumulative reduction since 2020<br><br>•“Run”<br>E-Axle, BSG<br>: 11,700 thousand t-CO <sub>2</sub><br><br>•“Steer”<br>EPS-PP/EPS<br>: 26,261 thousand t-CO <sub>2</sub><br><br>•“Stop”<br>EBB<br>: 10,029 thousand t-CO <sub>2</sub> (FY2024 to FY2025) | •“Run”<br>E-Axle, BSG:<br>530,300 t-CO <sub>2</sub><br><br>•“Steer”<br>EPS-PP, EPS:<br>5,359,000 t-CO <sub>2</sub><br><br>•“Stop”<br>EBB:<br>9,542,000 t-CO <sub>2</sub><br><br>Results fell short of targets due to softening EV demand, product portfolio optimization amid price competition, and customer production adjustments.   |
|               |                                            |                               | Contribute to decarbonization through products | • Secure 100,000 orders for small EV motors by 2025, reducing annual CO <sub>2</sub> emissions by 35,000 tons.<br><br>• Secure 380,000 orders for electric motorcycle motors by 2025, reducing annual CO <sub>2</sub> emissions by 32,000 tons.          | • Motors for small EVs<br>FY2024: 100 t-CO <sub>2</sub><br>FY2025: 3,200 t-CO <sub>2</sub><br><br>• Motors for electric motorcycles<br>FY2024: 6,500 t-CO <sub>2</sub><br>FY2025: 13,700 t-CO <sub>2</sub><br><br>Downturn was driven by slowing market momentum, rationalization of unprofitable models, and customer production cuts. |

| Category      | Materiality                                            | Themes to be addressed            | Sub-theme                                                | Targets for FY2025 (five-year target)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FY2025 (five-year target) results of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------|--------------------------------------------------------|-----------------------------------|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental | Contribute to environmental sustainability             | Realize a carbon-free society     | Reduce GHG emissions attributable to business activities | <ul style="list-style-type: none"> <li>•By FY2025, increase the renewable energy adoption rate to 40% on a consolidated basis</li> <li>•Annually disclose a climate change scenario in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations</li> </ul>                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Renewable energy adoption rate: 17.1%</li> <li>• Completed and disclosed climate scenario analysis(including financial impact estimation)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|               |                                                        | Manage waste and hazardous waste  |                                                          | <ul style="list-style-type: none"> <li>•Reduce waste intensity (per unit of consolidated net sales) by 3% compared to FY2022</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>• Waste intensity (per unit of consolidated net sales): Reduced by 21.7% compared to FY2022</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|               |                                                        | Handle water risks                |                                                          | <ul style="list-style-type: none"> <li>•Fully complete water risk assessments at all production sites</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>• Identified sites with high water risks (floods, water shortages) among all sites and completed financial impact calculations.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Products      | Provide products and services adapted to social change | Pursue product safety and quality | -                                                        | <ul style="list-style-type: none"> <li>• Create a product chemical substance database to streamline material selection and facilitate the transition to an environmentally conscious development framework</li> <li>• Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025</li> <li>• Conduct assessments of all newly developed products and all products during the manufacturing process to reduce product safety risks</li> </ul> | <ul style="list-style-type: none"> <li>• A material selection database based on a roadmap for the reduction of lead in steel materials was created in the development process of small precision motors. Reduced use of lead by promoting the use of environmentally conscious materials such as lead-free solder and the introduction of recycled resin.</li> <li>• Reduced product defects in the Automotive Products Business Unit by thoroughly assessing project deliverables.</li> <li>• Established the Global Quality Management Division as a specialized organization to lead quality management for the entire Group and appointed a Chief Quality Officer (CQO).</li> <li>•Following the discovery of suspected improper materials, processes, and design changes in some products, the Investigation Committee established the Improvement Promotion Office and implemented recurrence prevention measures.</li> </ul> |

| Category        | Materiality                                            | Themes to be addressed                                                           | Sub-theme | Targets for FY2025<br>(five-year target)                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | FY2025<br>(five-year target)<br>results of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------|--------------------------------------------------------|----------------------------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Products        | Provide products and services adapted to social change | Respond to changes in the technological environment and the industrial structure | -         | <ul style="list-style-type: none"> <li>Continuously launch new products that lead the "Five Big Waves" to resolve social issues</li> <li>Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource efficiency</li> </ul>                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>Based on NIDEC's strategic focus area of the "5 pillars," NIDEC established policies to address societal challenges—including the reduction of CO<sub>2</sub> emissions across the supply chain—and drove technological innovation toward product commercialization.</li> <li>Implemented the Life Cycle Assessment (LCA) methodology as an objective evaluation indicator for CO<sub>2</sub> reduction contributions, conducting continuous evaluations to develop products that directly address societal challenges.</li> </ul>                                                                                                                                                                                                                                   |
|                 |                                                        | Protect and utilize intellectual properties                                      | -         | <ul style="list-style-type: none"> <li>Realign NIDEC's IP portfolio to respond to evolving social and business trends, including decarbonization, energy efficiency, and automation</li> </ul>                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Expanded the IP portfolio ratio focused on decarbonization, energy efficiency, and automation, despite missing initial numerical targets.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Human resources | Retain and develop diverse talent                      | Maintain and foster globally competitive human resources                         | -         | <ul style="list-style-type: none"> <li>Promote the discovery and development of global leaders</li> <li>-Strengthen the development of management personnel, including global human resources</li> <li>Establish and operationalize a global talent management system</li> <li>-Establish regional HR management</li> <li>-Clarify positions subject to head office management</li> <li>-Establish a global mobility policy</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>Shifted the focus of executive development from Japan to a global scale, and established a system to identify and develop next-generation executive candidates globally, including clarification of positions subject to head office management</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                 |                                                        | Promote diversity                                                                | -         | <ul style="list-style-type: none"> <li>Achieve the targets below related to women's empowerment (non-consolidated)</li> <li>-Ratio of female directors: 20% or higher</li> <li>-Percentage of managerial positions held by women: 9% or higher</li> <li>-Ratio of female candidates for managerial positions: 15% or higher</li> <li>Recruit non-Japanese directors and promote the development of successor candidates</li> <li>Maintain the legally mandated employment rate of people with disabilities</li> </ul> | <ul style="list-style-type: none"> <li>Implemented multifaceted career development and promotion initiatives, including global interactive workshops and overseas-led mentoring programs for women.</li> <li>Achieved targets for both the percentage of female managers and female managerial candidates. <ul style="list-style-type: none"> <li>- Ratio of female directors: 19.0%</li> <li>- Percentage of managerial positions held by women: 9.4%</li> <li>- Percentage of female candidates for managerial positions: 16.1%</li> </ul> </li> <li>Expanded the appointment of non-Japanese executive officers and established a global framework to identify and cultivate next-generation leaders across HQ-managed key roles.</li> <li>Employment rate of people with disabilities: 2.54%</li> </ul> |

| Category        | Materiality                       | Themes to be addressed                                                          | Sub-theme | Targets for FY2025<br>(five-year target)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | FY2025<br>(five-year target)<br>results of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------|-----------------------------------|---------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Human resources | Retain and develop diverse talent | Promote occupational safety and health, and health-oriented business management | -         | <ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>-Ensure a safe and comfortable work environment</li> <li>-Reduce the number of serious accidents (those resulting in death or permanent disability) to zero</li> <li>-Improve the Lost-time injury frequency rate</li> <li>•Promotion of health management</li> <li>•Realizing health management as a unified NIDEC Group</li> <li>•Certified as a “White 500 Company under the 2025 Certified Health &amp; Productivity Management Outstanding Organizations Recognition Program” in FY2025</li> </ul> | <ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>The frequency rate of work-related injuries in the Nidec Group declined from 0.73 in FY2021 to 0.46 in FY2025</li> <li>• Promotion of health management</li> <li>Achieved a 100% employee health checkup rate. Continued to be certified as an “Outstanding Health &amp; Productivity Management Organization (White 2026)” in March 2026, although certification as an “Outstanding Health &amp; Productivity Management Organization (White 500)” has not yet been achieved</li> </ul> |
|                 |                                   | Respect human rights and follow proper labor practices                          | -         | <ul style="list-style-type: none"> <li>• Follow proper labor practices</li> <li>-Manage working hours of employees, including those in managerial positions, from the perspective of occupational safety</li> <li>-Reduce average overtime hours by improving productivity</li> <li>• Respect for human rights</li> <li>-Clarify human rights policies for workers including those in the supply chain, and spread them among employees</li> </ul>                                                                                                                                       | <ul style="list-style-type: none"> <li>•Proper labor practices:</li> <li>Initiated a tracking system at the Company reconciling attendance clock-in/out data with PC startup and shutdown logs to ensure proper management of working hours.</li> <li>•Respect for Human Rights</li> <li>Established the Nidec Group Basic Policy on Human Rights and implemented an e-learning program for employees to raise awareness of human rights.</li> </ul>                                                                                                                      |

Note: 1. Female directors: Executive officer or higher position (including outside directors).

2. Female candidates for managerial positions: Referring to female employees in positions immediately prior to managerial positions

| Category             | Materiality                                                              | Themes to be addressed                                               | Sub-theme          | Targets for FY2025<br>(five-year target)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | FY2025<br>(five-year target)<br>results of initiatives                                                                                                                                                                                                                                                                                                       |
|----------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supply Chain         | Build an internationally competitive supply chain to solve social issues | Sustainable procurement considering environmental and social aspects | -                  | <ul style="list-style-type: none"> <li>• Conduct human rights due diligence on major suppliers: Implementation rate for high-risk suppliers by 2025: 100%</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>•Conducted human rights due diligence using the Self-Assessment Questionnaire (SAQ) to identify human rights risks at major suppliers.</li> <li>•Performed detailed interviews and on-site visits to suppliers identified as high risk, and provided corrective and improvement support to resolve issues.</li> </ul> |
| Corporate Governance | Create a solid governance system                                         | Build a fair, transparent and highly effective governance system     | Board of Directors | <ul style="list-style-type: none"> <li>• Continue to have the effectiveness of the Board of Directors evaluated by a third party</li> <li>• Maintain the ratio of outside directors on the Board of Directors at 50% or higher, and the ratio of female directors at 20% or higher. (with consideration given to the overall balance of expertise, experience, and skills in the Board of Directors, as well as diversity in terms of work experience, gender, and age, and an appropriate number of directors for the scale of operations.)</li> </ul> | <ul style="list-style-type: none"> <li>•In response to the improper accounting, the composition of the Board of Directors and the Audit and Supervisory Committee was revamped to enhance the effectiveness of Board of Directors functions based on diverse knowledge, experience and expertise.</li> </ul>                                                 |

| Category             | Materiality                      | Themes to be addressed                                           | Sub-theme                                      | Targets for FY2025 (five-year target)                                                                                                                                                                                                                                                                                                                                                  | FY2025 (five-year target) results of initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------|----------------------------------|------------------------------------------------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance | Create a solid governance system | Build a fair, transparent and highly effective governance system | Nominating Committee / Remuneration Committee  | <ul style="list-style-type: none"> <li>• Increase transparency and fairness in the retirement and dismissal process of directors</li> <li>• Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>• In response to the improper accounting, the composition of the Board of Directors and the Audit and Supervisory Committee was revamped to enhance the effectiveness of Board of Directors functions based on diverse knowledge, experience and expertise.</li> </ul>                                                                                                                                                                                                                                         |
|                      |                                  | Build a fair, transparent and highly effective governance system | Management and enforcement of internal control | <ul style="list-style-type: none"> <li>• Enhance audit resources both qualitatively and quantitatively</li> </ul>                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Corporate Governance | Create a solid governance system | Follow thorough compliance with laws and regulations             | -                                              | <ul style="list-style-type: none"> <li>• Expand the legal affairs and compliance framework across NIDEC, beginning with headquarters and regional organizations (China, the U.S., and Europe)</li> <li>• Identify critical compliance risks and implement prioritized mitigation measures</li> <li>• Conduct annual compliance training for all Nidec Corporation employees</li> </ul> | <ul style="list-style-type: none"> <li>• Implemented the following measures in response to the improper accounting. <ul style="list-style-type: none"> <li>- Restructured the Global Legal and Compliance System</li> <li>- Issued a Board declaration reinforcing a compliance-first corporate mindset.</li> <li>- Conducted a compliance e-learning program based on past misconduct case studies for approximately 12,000 officers and employees across management, accounting, procurement, production control, and sales.</li> </ul> </li> </ul> |
|                      |                                  | Build a risk management system                                   | -                                              | <ul style="list-style-type: none"> <li>• Ensure that all business risks disclosed in the Annual Securities Report are evaluated by responsible departments and priority risks are identified</li> <li>• Prioritize key risks to reduce their impact on NIDEC's business</li> <li>• Manage the progress of reducing such impact and the residual risks</li> </ul>                       | <ul style="list-style-type: none"> <li>• Identified and assessed 22 key business-related risks across designated divisions to evaluate their potential impact on operating performance and financial condition.</li> <li>• Implemented risk mitigation measures and leveraged a management framework introduced in FY2025 to systematically track execution progress and residual risks.</li> </ul>                                                                                                                                                   |
|                      |                                  | Promote information security measures                            | -                                              | <ul style="list-style-type: none"> <li>• Reduce the number of serious information security incidents to zero (KGI)</li> </ul>                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Prompted by cyberattacks on NIDEC's sites, the Company reassessed the overall security framework and implemented enhanced measures across NIDEC, including EDR and VPN deployments and firewall enforcement.</li> </ul>                                                                                                                                                                                                                                                                                      |

(1) Approaches to Climate Change Based on the Task Force on Climate-related Financial Disclosures (TCFD) Guidelines

Climate change can present both positive and negative impacts on NIDEC's financial position. While it has the potential to create new technological and product opportunities for NIDEC, failing to adequately address the following risks could have a significant adverse impact on its business activities.

**Transition risk** (indirect loss risks arising from changes in policies and regulations related to climate change, technological developments, market trends, and market evaluations)

- Increased tax burden due to a delayed response to energy transition initiatives taken by the countries in which NIDEC operates, including carbon taxation and other measures aimed at achieving a decarbonized society.
- Loss of market opportunities and increased compliance costs associated with stricter regulations applied to existing products and services, as well as non-compliance with new quality standards.
- Limited availability of, or more costly access to, critical raw materials (rare minerals, steel, and other non-ferrous metals such as high-end aluminum and copper) used in electronic components amid the global shift toward electrification.
- Costly delays in the research and development of alternative raw materials vital for manufacturing new low-carbon products.
- Ineffective climate change actions detrimental to corporate value, potentially resulting in a decline in investor appetite and credit rating downgrades.

**Physical risk** (impacts on a company's physical assets, operations, and infrastructure due to changes in weather patterns and climate)

- Suspension of business activities due to frequent flood damage caused by typhoons and heavy rainfall.
- Restrictions on business activities due to drought.
- Health hazards from rising temperatures.
- Supply chain disruptions caused by the above factors.

The Company identifies and analyzes climate-related risks and opportunities by leveraging scenario analysis in line with TCFD recommendations to understand their potential impact on its business and thereby develop appropriate mitigation and adaptation strategies.

#### **Governance**

Since announcing its endorsement of the TCFD recommendations in April 2022, NIDEC has been working in line with the initiative to analyze climate-related risks and opportunities and understand their financial impacts. The results of these climate change impact analyses are discussed at the Sustainability Promotion Meeting and, subsequently, submitted to the Sustainability Committee before being incorporated into management strategies.

#### **Strategy**

A cross-functional leadership team representing business units that account for over 95% of consolidated net sales evaluated climate impacts through a structured four-step scenario framework:

#### **Steps for scenario analysis**

Step 1: Identify and define range of scenarios

In proceeding with a scenario analysis, the Team used the following assumptions as future warming scenarios.

- Transition risk scenario (2°C/1.5°C scenario)

|                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------|
| A world in which various measures and regulations are adopted to achieve a decarbonized society (IPCC SSP1-2.6, RCP2.6, IEA NZE) |
|----------------------------------------------------------------------------------------------------------------------------------|

- Physical risk scenario (4°C scenario)

|                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A world in which a delayed, disorderly transition to a decarbonized society amplifies the consequences of climate-related extreme weather events (IPCC SSP5-8.5, RCP8.5) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Time horizon:

Short-term: 2025

Medium-term: 2030

Long-term: 2050

Scope: Business domains accounting for at least 95% of Nidec Corporation's consolidated net sales

Step 2: Identify climate change-related risks and opportunities

The Team listed climate change-related business risks and opportunities by reference to the TCFD recommendations.

Step 3: Perform business impact assessment

The Team performed climate change-related business impact assessments from three perspectives: the degree of impact, the timing of the materialization of identified risks and opportunities, and the level of urgency. The team also estimated potential financial losses incurred in connection with global adoption of carbon taxes and flood damage.

Step 4: Formulate Mitigation and Adaptation Strategies

The Team formulated actionable mitigation and adaptation measures to address the specific climate change-related risks and opportunities deemed particularly relevant to NIDEC's business operations.

[Reference] Major climate change risks, opportunities, and mitigation approaches

| Climate Change-related Risks, Opportunities, and Impacts |                                    |                                                   |                                                                                                                                                              | Approaches/Actions                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------|------------------------------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Risks                                         | Policy and regulatory developments | Introduction of carbon tax                        | <ul style="list-style-type: none"> <li>• Increase in manufacturing costs leading to less competitive pricing</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Reduction in Scope 1 emissions through measures including: LED lighting, energy-efficient facilities, switchover to low-carbon fuels, and optimization of manufacturing processes</li> <li>• Reduction in Scope 2 emissions through the use of renewable energy</li> <li>• Implementation of an internal carbon pricing system</li> </ul>                                  |
|                                                          |                                    |                                                   | <ul style="list-style-type: none"> <li>• Increase in costs associated with adopting renewables</li> <li>*If carbon tax measures are taken</li> </ul>         | <ul style="list-style-type: none"> <li>• Cost-effective adoption of renewable energy through corporate PPAs</li> </ul>                                                                                                                                                                                                                                                                                              |
|                                                          |                                    |                                                   | <ul style="list-style-type: none"> <li>• Increase in costs associated with purchasing oil and fossil fuel-based electricity</li> </ul>                       | <ul style="list-style-type: none"> <li>• Adoption of renewables</li> <li>• Use of LED lighting, energy-efficient facilities</li> <li>• Implementation of an internal carbon pricing system</li> </ul>                                                                                                                                                                                                               |
|                                                          |                                    |                                                   | <ul style="list-style-type: none"> <li>• Increased procurement costs due to carbon charge on raw materials</li> </ul>                                        | <ul style="list-style-type: none"> <li>• Use of low-carbon materials (including recycled materials)</li> <li>• Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies</li> <li>• Diversification of procurement sources</li> <li>• Reduction in greenhouse gas emissions in the supply chain (Scope 3)</li> </ul>                                   |
|                                                          |                                    | Strengthening fuel efficiency and ZEV regulations | <ul style="list-style-type: none"> <li>• Impairment of manufacturing facilities geared toward applications related to internal combustion engines</li> </ul> | <ul style="list-style-type: none"> <li>• Adoption of versatile designs enabling horizontal application</li> <li>• Repurposing underutilized manufacturing facilities for other product lines</li> </ul>                                                                                                                                                                                                             |
|                                                          |                                    |                                                   | <ul style="list-style-type: none"> <li>• Intensification of market competition and price collapse due to deluge of new entrants</li> </ul>                   | <ul style="list-style-type: none"> <li>• Development of technologically advanced and competitively priced products</li> <li>• Achievement of economies of scale through market share expansion</li> <li>• Protection and utilization of intellectual property</li> </ul>                                                                                                                                            |
|                                                          |                                    |                                                   | <ul style="list-style-type: none"> <li>• Intensification of procurement competition for raw materials due to the expansion of the EV market</li> </ul>       | <ul style="list-style-type: none"> <li>• Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies</li> <li>• Research and development efforts for putting alternative materials into practical use</li> <li>• Vertical acquisitions</li> <li>• Establishment of a high-capacity supply chain</li> <li>• Forming long-term supply contracts</li> </ul> |
|                                                          |                                    | Introduction of rare earth-related regulations    | <ul style="list-style-type: none"> <li>• Difficulty in sourcing rare earths and increase in procurement costs</li> </ul>                                     | <ul style="list-style-type: none"> <li>• Development of products free from heavy rare metals and magnets</li> <li>• Establishment of a high-capacity supply chain</li> </ul>                                                                                                                                                                                                                                        |
|                                                          | Technology                         | Impact on research and development capabilities   | <ul style="list-style-type: none"> <li>• A delay in the development of new products</li> </ul>                                                               | <ul style="list-style-type: none"> <li>• Development of elemental technologies in collaboration with research institutes</li> </ul>                                                                                                                                                                                                                                                                                 |
|                                                          |                                    |                                                   |                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Climate Change-related Risks, Opportunities, and Impacts |            |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                      | Approaches/Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------|------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition risks                                         | Technology | Failure of investment in new technologies                                 | <ul style="list-style-type: none"> <li>• Opportunity losses resulting from product design below the required level of environmental efficiency</li> </ul>                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Joint product development with customers</li> <li>• Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies</li> </ul>                                                                                                                                                                                                                                                                                                         |
|                                                          |            | Transition to low-carbon technologies                                     | <ul style="list-style-type: none"> <li>• Increase in costs associated with switching to a low-carbon raw materials and processes</li> </ul>                                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>• Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies</li> <li>• Strong emphasis on supply chain engagement</li> </ul>                                                                                                                                                                                                                                                                                                       |
|                                                          | Market     | Changes in customer behavior                                              | <ul style="list-style-type: none"> <li>• Suspension of business transactions resulting from failure to meet increasing customer demands for the use of renewable energy or to achieve planned reduction in CO<sub>2</sub> emissions</li> </ul>                                                                                                                                                       | <ul style="list-style-type: none"> <li>• Reduction in Scope 1 emissions through measures including: use of LED lighting and energy-efficient facilities, shift toward low-carbon fuels, and optimization of manufacturing processes</li> <li>• Reduction in Scope 2 emissions through the adoption of renewable energy</li> <li>• Environmental initiatives through collaboration with customers</li> <li>• Renewed focus on sustainability management</li> <li>• Enhanced information disclosure and stakeholder dialogues</li> </ul> |
|                                                          |            | Difficulty in sourcing raw materials and an increase in procurement costs | <ul style="list-style-type: none"> <li>• Difficulty in sourcing rare minerals, steel, and other non-ferrous metals such as high-end aluminum and copper, collectively leading to higher procurement costs</li> </ul>                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Use of recycled materials</li> <li>• Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies</li> <li>• Development of products free from heavy rare metals and magnets</li> <li>• Establishment of a high-capacity supply chain</li> </ul>                                                                                                                                                                                    |
|                                                          | Reputation | Shift in investor interest toward sustainability-focused investment       | <ul style="list-style-type: none"> <li>• Increase in costs due to the tightening of ESG evaluation criteria and expansion of disclosure requirements</li> <li>• Difficulty in capital funding due to the Company's information disclosure efforts deemed insufficient by investors and financial institutions</li> <li>• Downgrade of the credit rating on the Company</li> </ul>                    | <ul style="list-style-type: none"> <li>• Enhanced information disclosure and stakeholder dialogues</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Physical Risks                                           | Acute      | Effects of floods, inundation, heavy rainfall, and hurricanes             | <ul style="list-style-type: none"> <li>• Factory shutdowns</li> <li>• Damage to fixed assets and inventory</li> <li>• Malfunction of infrastructure network, including electricity and water supply</li> <li>• Increase in costs associated with relocating production and rearranging transportation</li> <li>• Disruption of the supply chain</li> <li>• Increase in insurance premiums</li> </ul> | <ul style="list-style-type: none"> <li>• Geographic dispersion of production locations</li> <li>• Diversification of procurement sources</li> <li>• Implementation of Business Continuity Plan (BCP)</li> </ul>                                                                                                                                                                                                                                                                                                                        |

| Climate Change-related Risks, Opportunities, and Impacts |                   |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Approaches/Actions                                                                                                                                                                                                                                                        |
|----------------------------------------------------------|-------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Risks                                           | Chronic           | Effects of droughts, water scarcity, and change in precipitation patterns | <ul style="list-style-type: none"> <li>• Difficulty in securing stable water supply and shortage of factory water due to water intake restrictions</li> <li>• Increase in costs due to rising water prices</li> <li>• Factory shutdowns due to power supply-demand constraints</li> <li>• Constraints on raw material production and procurement capability</li> <li>• Increase in costs of purchasing component/parts</li> <li>• Deterioration of water quality due to changes in precipitation and temperature patterns</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Geographic dispersion of production locations</li> <li>• Optimization of manufacturing processes for water-saving</li> <li>• Improvement in water reuse and water recycling rates</li> </ul>                                     |
| Opportunities                                            | Products/Services | Growth in global demand for low-carbon products                           | <ul style="list-style-type: none"> <li>• Increase in demand for mobile products (E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc.) driven by the expansion of the market for electric vehicles and motorcycles</li> <li>• Increase in demand for energy efficient products (brushless DC motors, refrigerator compressors, coolant distribution units for data centers, HDD motors, high-efficiency motors for industrial use, high-performance machining equipment, high energy efficiency reducers, etc.)</li> <li>• Increase in demand for renewables (BESS, smart microgrid solutions, products related to wind and hydropower generation, small-scale power generators, machining equipment for manufacturing wind and gas turbine cases, etc.)</li> <li>• Increase in demand for alternative approaches to plastic (Can making press machines)</li> </ul> | <ul style="list-style-type: none"> <li>• Enhancement of R&amp;D efforts</li> <li>• Development of products with a higher level of sophistication in terms of: compactness, rigidity, resource-saving characteristics, energy-efficiency, and precision quality</li> </ul> |
|                                                          |                   | Expansion of markets for products with broader temperature tolerance      | <ul style="list-style-type: none"> <li>• Increase in demand for air conditioning-related products (air-conditioner motors, air-cooled clothing fans, etc.) driven by the expansion of the market</li> <li>• Increase in demand for temperature-resistant machining equipment and press machines</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                           |
|                                                          | Market            | Expansion of the EV market                                                | <ul style="list-style-type: none"> <li>• Increase in demand for mobile products (E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc.) driven by the expansion of the market for electric vehicles and motorcycles</li> <li>• Increase in demand for high-precision machining equipment</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                           |
|                                                          |                   | Advancement of electrification                                            | <ul style="list-style-type: none"> <li>• Increase in demand for motors driven by electrification</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                           |
|                                                          |                   | New product/market expansion                                              | <ul style="list-style-type: none"> <li>• Expansion of markets for electric aircraft, electric propulsion ships and heat pump technology</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                           |
|                                                          | Resilience        | Contingency perspective of supply chain resilience                        | <ul style="list-style-type: none"> <li>• Disaster-resistant manufacturing underpinned by well-prepared BCP frameworks</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Establishment of a highly resilient supply chain</li> </ul>                                                                                                                                                                      |

[Reference] Quantitative evaluation of major business impact

| Risk                         | Financial impact | Calculation method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Introduction of a carbon tax | 11.7 Billion Yen | The assumed carbon price is set at 140 USD/t-CO <sub>2</sub> by reference to the estimated 2030 carbon prices for developed countries provided by the IEA's "World Energy Outlook 2022." CO <sub>2</sub> emissions (Scope 1 and 2) are calculated based on NIDEC's FY2030 emission target of 570,000 t-CO <sub>2</sub> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Flood damage                 | 7.7 Billion Yen  | <ul style="list-style-type: none"> <li>• A comprehensive flood risk assessment based on: <ul style="list-style-type: none"> <li>- Evaluation results using "Aqueduct," a water risk analysis tool provided by the World Resources Institute (WRI)</li> <li>- Sales by respective business sites</li> <li>- Status of business continuity plan (BCP) development</li> </ul> </li> <li>• Selection of five sites with the greatest potential impact on the Company's overall operations from among those identified as high risk.</li> <li>• Estimation of the potential financial impact, such as damage to fixed assets and inventory, and lost business opportunities due to operational suspension at all five sites, with reference to the Guidelines for Physical Risk Assessment in line with the TCFD recommendations by the Ministry of Land, Infrastructure, Transport and Tourism, Japan.</li> </ul> |

\* Regarding the financial impact calculation associated with the introduction of a carbon tax, the figures were recalculated to reflect the refined actual fuel consumption data for FY2022. As a result, the underlying FY2030 CO<sub>2</sub> emissions target has been revised from the previous 610,000 t-CO<sub>2</sub> to 570,000 t-CO<sub>2</sub>. Consequently, the estimated financial impact has also been updated from 12.4 billion yen to 11.7 billion yen.

### Risk Management

NIDEC incorporates climate change risks into the framework of its global risk management system, which oversees the entire consolidated group. This framework manages the process from identifying and assessing risks to implementing improvement activities. For further details on the risk management system, please refer to "3. Risk Factors" in "II. Business Overview."

### Indicators and Targets

NIDEC sets and manages key performance indicators and targets related to climate change initiatives under the materiality themes of "Realizing a Decarbonized Society" and "Addressing Water Risks," as outlined below:

[Realizing a Decarbonized Society]

1) Reduction in GHG emissions from business activities

| Reduce GHG emissions attributable to business activities | Result | KPI |
|----------------------------------------------------------|--------|-----|
| The introduction ratio of renewable energy in FY2025     | 17.1%  | 40% |

- Increase the renewable energy adoption rate to 40% on a consolidated basis by FY2025

The renewable energy adoption rate fell short of the initial target following a strategic review of large-scale procurement plans. This adjustment reflected price volatility and negative pricing risks in European electricity markets, prioritizing economic rationality and long-term risk management. Going forward, NIDEC will continue to switch to reliable procurement methods that balance economic efficiency and environmental performance, such as on-site power generation and optimization of the power receiving structure, while closely monitoring market stability and price volatility.

- Annually disclose a climate change scenario in line with the TCFD recommendations

(Result: Completed and disclosed climate scenario analysis, including financial impact estimation)

## 2) Contributing to decarbonization through products

NIDEC set the targets outlined below to contribute to the reduction of CO<sub>2</sub> emissions from cars and motorcycles during product operation. Due to a global slowdown in EV demand and customer production adjustments during the reporting period, actual results fell well short of initial targets. Consequently, NIDEC is revising its targets to support the medium- to long-term decarbonization through initiatives including next-generation model development.

| Contributing to decarbonization through products<br>(reduction of CO <sub>2</sub> emissions)       | Result                                                                              | KPI                                |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| EV traction motor system (E-Axle/BSG)<br>〈Cumulative total reduction from FY2020 to FY 2025〉       | 530.3 thousand t-CO <sub>2</sub>                                                    | 11,700 thousand t- CO <sub>2</sub> |
| Electric power steering (EPS-PP/EPS) motors<br>〈Cumulative total reduction from FY2020 to FY 2025〉 | 5,359 thousand t-CO <sub>2</sub>                                                    | 26,261 thousand t- CO <sub>2</sub> |
| Electric brake booster (EBB) motors<br>〈Cumulative total reduction from FY2020 to FY 2025〉         | 9,542 thousand t-CO <sub>2</sub>                                                    | 10,029 thousand t- CO <sub>2</sub> |
| Motors for compact EVs<br>〈Cumulative total reduction from FY2024 to FY2025〉                       | FY2024 : 0.1 thousand t-CO <sub>2</sub><br>FY2025 : 3.2 thousand t-CO <sub>2</sub>  | 35 thousand t-CO <sub>2</sub>      |
| Motors for e-bikes<br>〈Cumulative total reduction from FY2024 to FY2025〉                           | FY2024 : 6.5 thousand t-CO <sub>2</sub><br>FY2025 : 13.7 thousand t-CO <sub>2</sub> | 32 thousand t-CO <sub>2</sub>      |

## [Addressing Water Risks]

### 1) Implement water risk assessment at all production sites

| Implement water risk assessment at all production sites | Result                                                                                                                       | KPI  |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------|
| Implement water risk assessment at all production sites | Identified sites with high water risk (flood, water shortage) among all production sites, and estimated the financial impact | 100% |

For details on the outcomes of each initiative and other related information, please refer to the “Seventh Mid-term Environmental Conservation Plan” and “Progress of Materiality Initiatives” sections on the Company’s website. (At present, only the FY2024 performance results are available on this webpage. The FY2025 results are to be reported by the end of October 2026.)

<https://www.nidec.com/jp/sustainability/nidec-sustainability/materiality/action/>

### (2) Initiatives to expand human capital

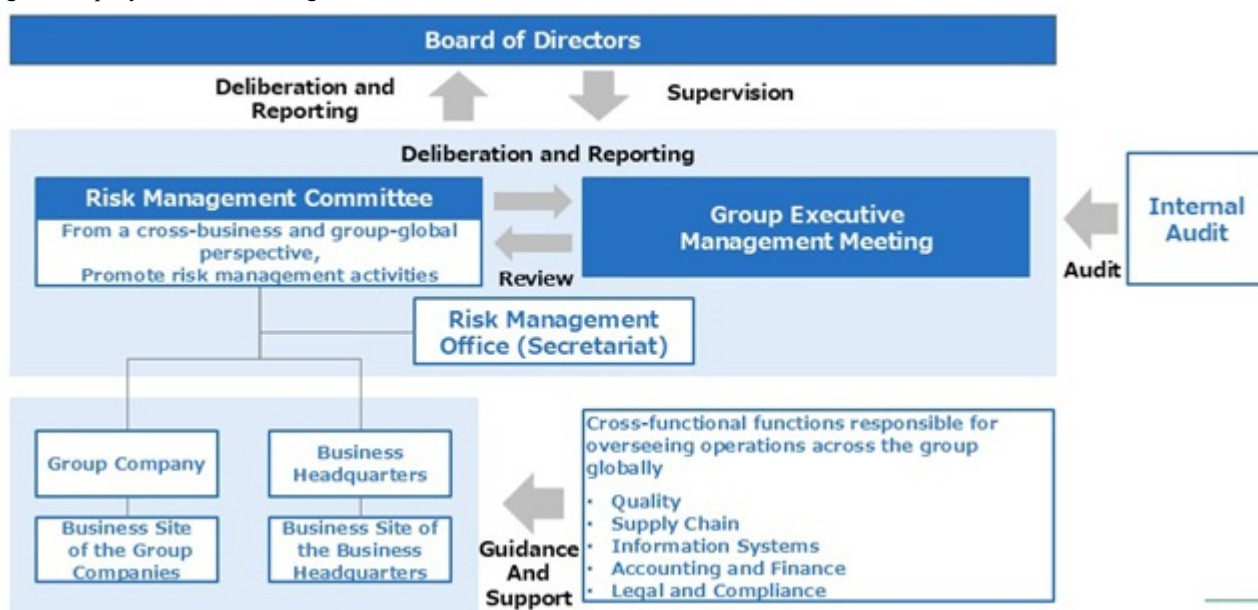
For the Company's efforts to expand its human capital, please refer to “(1) Basic Policies Regarding Human Resources Strategies, etc.” under “5. Employees, etc.” in “IV. Information on the Company.”  
n the Company.”

### 3. Risk Factors

#### (1) Risk Management System and Operational Status

Based on the Revised Improvement Plan and the Status Report published on April 27, 2026, the Company reviewed the system and process of identifying, reporting, discussing, and monitoring risk information for the entire Group. In particular, we have started a new process that includes clarifying the reporting route for material risk information, reporting material risk information to the Board of Directors, and confirming the risk management structure through internal audits. As a result, the Group has established systems and mechanisms that will prevent the spread of losses caused by insufficient response capabilities in the event that a risk occurs and that enable business continuity and early recovery in the event of a crisis. At the same time, we are working to improve the effectiveness of these systems and mechanisms. The Company continuously monitors the operational status of these systems and processes, and based on the results and changes in the business environment, we aim to strengthen governance and improve corporate value, as well as achieve sustainable growth of the Group and gain and improve the trust of stakeholders.

Fig. 1 Company-wide Risk Management Structure



The roles of the organizations listed in the above management structure diagram are as follows.

#### - The Board of Directors

The Board reviews and approves significant matters related to risk management, such as “Annual Activity Basic Policy and Annual Activity Plan” and “KPIs for Committee Operations.” It also receives regular reports from the Risk Management Committee and exercises its supervisory function over the appropriate operation of the risk management system, trends in serious incidents, etc. In addition, it makes decisions regarding the revision or abolition of the “NIDEC Global Basic Policies on Risk Management” and the “Risk Management Rules.”

#### - Executive Management Meeting

As a decision-making body regarding the execution of Group management, it deliberates on the assessment results and response strategies for significant risks brought up for discussion or reported by the Risk Management Committee and determines response policies, including the allocation of management resources. It also monitors the progress of measures based on the determined response strategies and reports to the Board of Directors in a timely manner on any risks that have a significant impact on business operations.

#### - Risk Management Committee

The Committee is chaired by the Chief Risk Management Officer and consists of members responsible for facilitating discussions in line with the risk management system and operational realities in their respective areas of responsibility. It discusses the execution of Group management from an expert perspective and continuously reviews the appropriateness of the allocation of resources required for risk management. It also consults or deliberates with management on strategies for responding to significant risks, etc., and regularly reports to the Board of Directors on the Committee’s operations, issues, trends in serious incidents, etc.

- Chief Risk Management Officer

The Officer is responsible for risk management activities in Nidec Group and promote such activities. As chair of the Risk Management Committee, the Officer presides over Committee meetings, oversees discussions and reports to management bodies such as the Executive Management Meeting and the Board of Directors.

- Risk Management Committee Secretariat (Risk Management Office)

The Office serves as the secretariat for the Risk Management Committee and, at the direction of the chairperson, is in charge of convening Committee meetings, handling administrative tasks, preparing meeting minutes, etc. In cooperation with the Group Global Business Management Division, it also provides support for the development of systems at lower levels, such as Business Units, group company headquarters and bases /business sites.

- Risk Management Promotion Officer / Risk Management Manager

At each level of risk management, specifically, as the “Risk Management Promotion Officer” at the Business Unit and group company headquarters level (L2) and as the “Risk Management Manager” at the base/business site level (L1), this role is responsible for risk management activities at each level and works to develop and promote a risk management system.

- Group Global Business Management Division

Under the supervision of each responsible executive officer (CxO) and as the risk owner of the business area in charge, the Division is responsible for collecting, analyzing and monitoring risk information in the area, as well as providing guidance and support to Nidec Group regarding the development of the risk management system.

## (2) Risk Factors

The following risks have been identified that may affect our operating results, stock price, financial position, etc. The forward looking statements herein are based on our judgments as of the end of the fiscal year under review.

| Risk items                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------|
| 1) Governance risks                                                                                                                     |
| (1) Risks related to internal controls * Risks related to measures taken by the Tokyo Stock Exchange, Inc. are described in the margin. |
| (2) Risks related to fair and accurate financial statements                                                                             |
| (3) Risks related to management succession                                                                                              |
| 2) Management strategy risks                                                                                                            |
| (1) Risks related to prior investments for anticipated customer demands                                                                 |
| (2) Risks related to M&A                                                                                                                |
| (3) Risks related to political and economic downturns                                                                                   |
| (4) Risks related to changes in the technological environment and industrial structure                                                  |
| (5) Risks related to competition                                                                                                        |
| 3) Business operation risks                                                                                                             |
| (1) Risks related to customs                                                                                                            |
| (2) Risks related to quality of our products                                                                                            |
| (3) Risks related to information security                                                                                               |
| (4) Risks related to recruiting and retaining highly skilled personnel                                                                  |
| (5) Risks related to research and development                                                                                           |
| (6) Risks related to procurement of raw materials or components                                                                         |
| (7) Risks related to intellectual property                                                                                              |
| (8) Risks related to human rights                                                                                                       |
| (9) Risks related to fluctuations of foreign currency exchange rates                                                                    |
| (10) Risks related to fluctuations of interest rates                                                                                    |
| (11) Risks related to our liquidity of funds                                                                                            |
| (12) Risks related to recoverability of deferred tax assets                                                                             |
| 4) Contingency risks                                                                                                                    |
| (1) Risks related to natural and human disasters                                                                                        |
| (2) Risks related to climate change                                                                                                     |

Please refer to the following pages for details of each of the above risks and the main countermeasures.

1) Governance risks

| (1) Risks related to internal controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <p>Risk details</p> <p>(Internal control over trade compliance)</p> <p>For the fiscal year ended March 31, 2025, at a consolidated subsidiary of the Company, the amount of unpaid tariffs was underreported due to erroneous declarations of country of origin of motors manufactured. The Company recognized that the main cause lay in the Company as a parent company failing to reflect the issue in the consolidated financial statements in a timely manner after identifying the problem. Consequently, the Company identified material weaknesses in entity-level controls (information and communication) and internal controls over its accounting and financial closing process for the fiscal year ended March 31, 2025. Although the Company has already implemented the following recurrence prevention measures, for the fiscal year ended March 31, 2026, the Company newly identified material weaknesses in entity-level controls (control environment, risk assessment and response, control activities, information and communication, and monitoring) and internal control over accounting and financial reporting processes that are evaluated from an entity-level perspective. Therefore, the Company has concluded that the previously identified material weaknesses have not yet been remediated.</p> <p>(1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority</p> <ul style="list-style-type: none"> <li>- Sending a clear message from the Company's board of directors to the Group employees</li> <li>- Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions</li> <li>- Strengthening our Legal &amp; Compliance Department's functions and authority</li> </ul> <p>(2) Strengthening organizations and systems</p> <ul style="list-style-type: none"> <li>- Strengthening the trade compliance system</li> <li>- Strengthening the global governance system</li> </ul> <p>(3) Improvement of procedures, regulations and mechanisms</p> <ul style="list-style-type: none"> <li>- Improvement of the Group's reporting lines</li> <li>- Information sharing among the Company group's Legal &amp; Compliance Departments</li> <li>- Properly organizing the internal control system</li> </ul> <p>(4) Disciplinary actions</p> <ul style="list-style-type: none"> <li>- Implementing appropriate disciplinary actions</li> </ul> <p>In addition, for the fiscal year ended March 31, 2026, the Company engaged external experts to investigate whether similar trade compliance issues existed at entities other than the aforementioned consolidated subsidiary. As a result of the investigation, errors in the indication of the country of origin were identified in exports from the Group to the United States. As a result, a statistical sampling survey was conducted covering all transactions of major import bases pertaining to exports from the Company's bases to the United States (from the fiscal year ended March 31, 2021, to the fiscal year ended March 31, 2026). The survey revealed errors in tariff classifications, country of origin, application of preferential treatment based on preferential trade agreements, and import prices in import declarations to the United States. These errors were caused not only by the relevant parties' insufficient trade know-how and compliance awareness, but also by insufficient business standardization within the Group. Consequently, deficiencies were identified in entity-level controls (control environment and control activities). As these deficiencies are highly likely to have a significant impact on the Company's financial reporting, the Company determined that they constitute material weaknesses.</p> <p>The Company will continuously execute recurrence prevention measures to enhance internal controls going forward. However, because internal controls have inherent limitations, the reliability of the Group's financial reporting could be affected if these recurrence prevention measures do not function effectively.</p> |

| (1) Risks related to internal controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 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| Risk details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           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| <p>(Internal controls related to improper accounting practices that could materially affect the entire consolidated financial statements, including arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk)</p> <p>As the Company identified suspicions of improper accounting practices that could have a significant impact on the entire consolidated financial statements, including arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which were conducted under the involvement or knowledge of certain management members of the Company and its group companies, the Company resolved on September 3, 2025, to establish a third-party committee in accordance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations. The Company received an investigation report from the third-party committee on February 27, 2026, and a supplementary investigation report on April 17, 2026. As a result, numerous improper accounting practices were revealed across various locations of the Group, including past fiscal years (hereinafter, the facts revealed in the investigation report and supplementary investigation report are referred to as this “Issue”). The main details of the identified improper accounting practices are outlined below:</p> <ul style="list-style-type: none"> <li>- Avoidance of recognizing inventory valuation losses by falsely recognizing asset values in raw materials and products with extremely low future usage and sales prospects and no asset value.</li> <li>- Avoidance of recognizing impairment losses by including projects with low probability of realization in sales plans used as assumptions for fixed asset impairment tests.</li> <li>- Avoidance of recognizing impairment losses on fixed assets by providing false explanations regarding fixed assets that are difficult to repurpose.</li> <li>- Non-recognition of provisions for loss on contract, arising from the discontinuation of product development.</li> <li>- Non-recognition of allowance for doubtful accounts for bad debts.</li> <li>- Overstatement of inventories by falsifying the results of physical inventory counts.</li> <li>- Deferral of expense recognition through the improper capitalization of labor costs as incidental costs, which were subsequently expensed through depreciation.</li> <li>- Intentional capitalization of quality improvement costs and research and development costs that had been determined not to contribute to obtaining future economic benefits.</li> <li>- Premature revenue recognition for unshipped sales transactions that lacked economic substance.</li> </ul> <p>Based on reports regarding the facts identified and cause analysis resulting from the investigation by the third-party committee and self-inspections investigating the appropriateness of accounting treatments under the management and supervision of the third-party committee, the Company re-evaluated its internal controls over financial reporting. As a result, the Company identified deficiencies in entity-level controls (control environment, risk assessment and response, control activities, information and communication, and monitoring) of the Company and its consolidated subsidiaries, as well as in internal controls over accounting and financial reporting processes that are evaluated from an entity-level perspective. Because these deficiencies are highly likely to have a significant impact on the Company’s financial reporting, the Company determined that they constitute material weaknesses. Furthermore, the impact of the deficiencies in entity-level controls (control environment, risk assessment and response, control activities, information and communication, and monitoring) and internal controls over accounting and financial reporting processes that are evaluated from an entity-level perspective was material and pervasive, indicating a lack of the foundation necessary for internal controls over business processes to operate effectively. In addition, deficiencies were identified in all business processes subject to evaluation, and because all of these are highly likely to have a significant impact on financial reporting, the Company determined that they constitute material weaknesses.</p> <p>The Company fully recognizes the importance of internal controls over financial reporting and has been working to promptly formulate and implement recurrence prevention measures to remediate the material weaknesses. However, the implementation of these measures had not been completed as of the end of the fiscal year ended March 31, 2026. Furthermore, due to the inherent limitations of internal controls, the reliability of the Group's financial reporting could be affected if the recurrence prevention measures do not function effectively.</p> <p>In addition, while the Company has identified officers and employees of the Company and its Group companies who were involved in, directed, or were aware of improper accounting practices and other related matters, or who provided false explanations to the independent auditor, and has been conducting evaluations and implementing appropriate corrective personnel measures, part of the evaluations and corrective personnel measures has not yet been completed. As a result, certain officers and employees who were involved in, directed, or were aware of improper accounting practices and other related matters, or who provided false explanations to the independent auditor currently continue to hold positions of responsibility within the financial reporting processes of the Company and its Group companies. Consequently, the reliability of the Group's financial reporting could be affected.</p> |

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| (1) Risks related to internal controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Main countermeasures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>To remediate the material weaknesses for the fiscal year ended March 31, 2026, in entity-level controls (control environment, risk assessment and response, control activities, information and communication, and monitoring), internal control over accounting and financial reporting processes appropriate to evaluate from an entity-level perspective, and internal control over account closing processes, the Company has formulated the following measures. By steadily implementing these measures and continuously monitoring their implementation status, the Company seeks to avoid and mitigate these risks.</p> <p>(Internal control over improper accounting practices that could materially affect the entire consolidated financial statements, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk)</p> <p>(1) Reform of corporate culture and enhancement of compliance education</p> <p>(i) Reform of corporate culture</p> <ul style="list-style-type: none"> <li>- Collecting opinions from employees through the establishment of a new organization to promote corporate culture reform</li> <li>- Conducting a corporate culture learning program based on employee level</li> <li>- Creating opportunities for dialogue with employees</li> <li>- Behavioral transformation by management</li> <li>- Behavioral transformation by employees</li> <li>- Improvement activities across the Company's departments, Group companies, and global companies</li> <li>- Ensuring transparency in the implementation status of measures</li> </ul> <p>(ii) Enhancement of compliance education</p> <ul style="list-style-type: none"> <li>- Enhancement of compliance education for new hires and regular learning programs</li> <li>- Thorough compliance education throughout the Group and continuous dissemination of this Issue</li> </ul> <p>(iii) Clarification of responsibility</p> <ul style="list-style-type: none"> <li>- Establishment of the Executive Responsibility Investigation Committee</li> <li>- Carrying out the necessary actions for employees below Vice Presidents and officers and employees of the Group companies.</li> <li>- Personnel measures in response to the third-party committee's investigation report, etc.</li> </ul> <p>(2) Review of personnel-related systems</p> <p>(i) Review of the personnel evaluation system</p> <ul style="list-style-type: none"> <li>- Setting targets other than performance, and thorough evaluation</li> <li>- Implementation of measures to improve understanding of the system</li> </ul> <p>(ii) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process</p> <ul style="list-style-type: none"> <li>- Review of evaluation criteria for executive remuneration</li> <li>- Implementation of measures to improve the effectiveness of the remuneration determination process</li> </ul> <p>(iii) Review of the criteria for Vice President nominations and strengthening of their effectiveness</p> <ul style="list-style-type: none"> <li>- Review of selection criteria and formulation of dismissal criteria</li> <li>- Implementation of measures to improve the effectiveness of the Vice President selection process</li> </ul> <p>(3) Review of business plan formulation and management methods</p> <p>(i) Reorganization of the medium-term management plan and business plan formulation process</p> <ul style="list-style-type: none"> <li>- Redefinition and clarification of rules for formulating the medium-term management plan and business plan</li> <li>- Establishment of a team structure for examining the medium-term management plan and business plan</li> <li>- Strengthening the medium-term management plan and business plan formulation process</li> </ul> <p>(ii) Optimization of the budget vs. actual performance management process</p> <ul style="list-style-type: none"> <li>- Change in performance management values in budget vs. actual performance management</li> <li>- Analysis of results, consideration of measures, and implementation of measures to improve the accuracy of the next business plan</li> </ul> <p>(iii) Review of business evaluation criteria</p> <ul style="list-style-type: none"> <li>- Review of numerical items</li> <li>- Addition of evaluation items</li> </ul> |

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| (1) Risks related to internal controls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Main countermeasures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>(4) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee</p> <ul style="list-style-type: none"> <li>- Implementation of measures to improve the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets</li> <li>- Establishing a system for sharing important risk information and strengthening supervisory functions</li> <li>- Implementation of measures to improve the effectiveness of the Audit and Supervisory Committee</li> <li>- Strengthening supervisory functions by diversifying the expertise of the Board of Directors</li> <li>- Enhancing the system to support outside directors</li> </ul> <p>(5) Ensuring the independence of the accounting function from the business divisions</p> <ul style="list-style-type: none"> <li>- Ensuring the independence of the accounting function</li> <li>- Securing accounting resources</li> <li>- Awareness raising and education on accounting</li> <li>- Strengthening accounting governance</li> </ul> <p>(6) Strengthening the internal audit system</p> <ul style="list-style-type: none"> <li>- Strengthening independence through cooperation with the Audit and Supervisory Committee</li> <li>- Implementation of measures to increase the number of companies subject to internal audits and improve audit quality</li> </ul> <p>(7) Clarification of accounting policies and proper operation</p> <ul style="list-style-type: none"> <li>- Revision of the NIAP and abolition of requests for exceptions</li> <li>- Thorough dissemination of the NIAP</li> <li>- Introduction of a declaration system for compliance with the NIAP</li> <li>- Review of Business Units and domestic Group companies</li> </ul> <p>(Internal control over trade compliance)</p> <p>(1) Implementation of training and education</p> <ul style="list-style-type: none"> <li>- Implementation of training on trade compliance</li> <li>- Continuous communication on the importance of compliance</li> </ul> <p>(2) Formulation and rollout of SOPs (Standard Operating Procedures)</p> <ul style="list-style-type: none"> <li>- Formulation and rollout of the "Customs Compliance Manual" and "Customs Compliance Handbook"</li> <li>- Formulation and rollout of SOPs (Standard Operating Procedures)</li> </ul> |

\*Response to the risk of delisting due to the designation of Security on Special Alert

As described in "II. Business Overview, 1. Management Policies, Business Environment, and Challenges, (4) Designation of Security on Special Alert," the Tokyo Stock Exchange, Inc. has designated the Company's stock as a Security on Special Alert. Please refer to the said paragraph for details on the reason for the designation, the date of designation and the period of designation.

As stated in the paragraph, the Company is making efforts to improve the internal management system, etc. in preparation for the lifting of the special-alert designation. However, as a result of the examination pursuant to the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., if the internal management system, etc. is not deemed to be appropriately developed and operated, the designation may be continued or the Company's shares may be delisted. [MY2.1] We will steadily promote initiatives to ensure the effectiveness of the internal management system, etc. toward the lifting of the designation.

## (2) Risks related to fair and accurate financial statements

### Risk details

On September 03, 2025, We established an independent Third-Party Committee to conduct comprehensive investigations into the cause of suspicion regarding the Nidec Group's inappropriate accounting practices.

With, among other reasons, the Third-Party Committee's investigations ongoing, and based on the possible material and extensive impact on the Company's consolidated financial statements, we received from our financial auditors the audit report for Nidec's securities report for the fiscal year ended March 31, 2025, stating that the auditors would issue the report with a disclaimer of opinion. These circumstances led Nidec's stock to be designated on October 28, 2026 as a security on special alert by the Tokyo Stock Exchange, where we are listed, which cited a high necessity for us to improve our internal management system among other actions.

After a mid-term report issued on February 27, 2026, the Company received the final report from the Third-Party Committee on April 17, 2026. The report discloses a series of Nidec Group's accounting misconducts, describes the results of cause analysis and provides suggestions for recurrence prevention of the misconducts.

### Main countermeasures

We received the final version of the Third-Party Committee's investigation report on April 17, 2026, we accepted with sincerity the facts identified by the Committee, the results of its cause analysis, and its suggestions to prevent a recurrence of problems, and announced on April 27, 2026, our revised improvement plan.

To reinforce our accounting functions and accounting policies as announced in the improvement plan, we are implementing the following measures:

#### - Maintaining the accounting organizations' independence

We will separate our accounting function and business management function (that, among other tasks, monitor the execution of management strategy) and consolidate the accounting function's personnel-related authorities into the head office's accounting function. In addition, we will reorganize dual-reporting lines (individual organizations' CEOs and Nidec Corporation's CFO for Business Units and Japanese domestic Nidec Group companies' CFOs; and individual organizations' CFOs and Nidec Corporation's accounting personnel for Business Units and Japanese domestic Nidec Group companies) to eliminate the structure that has constrained the accounting department into working with business departments to achieve profit targets.

#### - Strict unification of accounting policies

We will review the Nidec Group's accounting policies (NIAP) to always abide by accounting rules and eliminate arbitrary account processing. We abolished exceptional applications, which reduced NIAP to mere skeletons, in the FY2025 year-end account settlement.

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| <b>(3) Risks related to management succession</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Risk details</b></p> <p>Our growth to date has been largely dependent on the strong leadership and management skills of the founder. However, while a management system in which authority is concentrated in specific individuals enables swift decision-making, appropriate supervisory functions and brakes do not work sufficiently, causing governance issues.</p> <p>As pointed out in the Third-Party Committee's investigation report, the lack of a check-and-balance function over top management led to a dilution of compliance awareness and an impediment to a sound organizational culture, and as a result, significantly damaged the Group's social credibility. Currently, we are making the transition to a group management structure under a new management structure. However, if we are not able to completely break away from the influence of the founder, or if the autonomous governance functions of the next generation of leaders do not take root, it could delay the recovery of trust from investors and have a significant negative impact on our corporate value and business continuity over the medium to long term.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p><b>Main countermeasures</b></p> <p>We have given top priority to the transition from management that is dependent on the founder to management based on highly transparent mechanisms and organizations, and have taken the following measures.</p> <ul style="list-style-type: none"> <li>- Thorough implementation of organizational management under the Chief Officer (CxO) System <p>In April 2025, we introduced a global headquarters structure centered in the Chief Officer System and transferred authority to each CxO. In this way, each functional division and business division cooperate and check each other to create a "structured organization" that makes speedy and sound management decisions.</p> </li> <li>- Foster next-generation leaders and make the selection process transparent <p>We will develop management human resources with a high level of compliance awareness and governance capabilities. With regard to the Board of Directors and Vice Presidents, the Nominating Committee conducts multifaceted evaluations based on globally shared selection standards, including a perspective of ethics, compliance, and market discipline. In addition, by ensuring that the selection process is transparent and objective, we have established a sustainable management succession structure that does not rely on specific individuals.</p> </li> <li>- Change to a healthy organizational culture <p>Top management is promoting reforms to create an open corporate culture. By improving the reliability of the whistle-blowing system and establishing lines of communication through which opinions from the sites reach management, we are working to transform ourselves into an organization that soundly fuses bottom-up knowledge with top management strategies.</p> </li> </ul> |

## 2) Management strategy risks

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| <b>(1) Risks related to prior investments for anticipated customer demands</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Risk details</b></p> <p>In anticipation of increased demand, we may expand our production facilities in advance of orders or place advance orders for parts and materials in consideration of lead time. This entails the following risks.</p> <ul style="list-style-type: none"> <li>- If demand is significantly lower than forecast, there may be impairment losses on fixed assets and a write down of inventories due to excess inventory, which has a negative impact on our operating results.</li> <li>- There is a risk of rapid obsolescence of equipment and materials for which upfront investment was made due to discontinuous changes in technology.</li> <li>- There is a risk of loss of supply opportunities and permanent loss of market share if demand is underestimated.</li> </ul>                                                                                                                                                                                                                                                                                                                     |
| <p><b>Main countermeasures</b></p> <p>We are taking the following measures to ensure both profitability and disciplined investment.</p> <ul style="list-style-type: none"> <li>- ROIC (Return On Invested Capital) Management <p>We have established ROIC as one of our management indicators and we are promoting improvement activities from both the profitability and capital efficiency perspectives.</p> </li> <li>- Introduction of a mechanism that contributes to investment decisions <p>In making investment decisions, we will clearly identify businesses with relatively high profitability and businesses that are expected to grow in the future. We will also build a structure to support our business portfolio strategies so that the funds generated by our businesses can be allocated in an optimal manner.</p> </li> <li>- Establishment of a flexible production system <p>We will avoid concentrating investment in specific sites, promote global production flexibility, facilitate the conversion of facilities through modularization, and enhance resilience to demand fluctuations.</p> </li> </ul> |

## (2) Risks related to M&A

### Risk details

We have historically achieved much of our growth by acquiring and otherwise investing in other companies that have provided us with complementary technologies, product lines, marketing, sales networks, and customer base. However, business strategies that rely excessively on non-linear growth through M&A carry the risk that governance, such as the transparency of investment decisions and post-acquisition group governance, will become a mere formality, or that our in-house technology development and organic (autonomous) growth will be impeded. In addition, if we use only M&A as a means of growth in a rapidly changing market, an inability to find suitable acquisition or investment targets may mean we cannot keep up with the pace of market growth, and our businesses, operating results and financial position may be adversely affected.

Although we believe that these acquired assets appropriately reflect the future profitability achieved through the efficient integration of the acquired businesses, we may not be able to generate the estimated profit due to a deterioration of the business environment. In that case, we will need to recognize an impairment of these assets, which could adversely affect operating results and financial position.

### Main countermeasures

We are taking the following measures to both reduce M&A risk and achieve organic growth.

#### - Promoting a growth strategy balanced with investment in organic growth

We will strengthen investments for organic growth, such as in-house research & development, improving the added value of existing businesses, and human resources development, without relying too much on M&As, in order to strengthen our portfolio.

#### - Acquisition at a fair price

We will select target companies that are in line with our business strategy, conduct thorough preliminary surveys, and acquire them at an appropriate price.

#### - Rapid and thorough post-acquisition PMI

We will appropriately integrate our compliance policy and governance system, unify our foundations and platforms, and create synergies upon entering the Group. At the same time, we will enhance the corporate value of the acquired company and minimize the risk of goodwill impairment.

#### - Advance preparation of public relations strategy for M&A activities

We are committed to avoiding reputational risk by promoting an accurate understanding of our acquisition policy through appropriate information disclosure and honest media communication.

#### - Continued governance and monitoring

We will monitor the status of our post-acquisition business plan on a regular basis and manage risks flexibly by taking early improvement actions or reviewing our portfolio of businesses in the event that there is a deviation from our initial assumptions.

### (3) Risks related to political and economic downturns

#### Risk details

We have more than 300 group companies in more than 40 countries around the world. We develop our business globally, and our overseas sales account for about 90%. As a result, changes in political and economic conditions in the countries and regions in which we operate are important uncertainties that can have a direct impact on our operating results and financial position.

In particular, the intensification and prolongation of the following geopolitical risks may cause supply chain fragmentation and major changes in cost structures.

- US-China conflict and economic security regulations

Export controls for advanced technologies, investment restrictions, and the acceleration of supply chain restructuring that excludes certain countries.

- Intensification and prolongation of regional conflicts

Soaring energy prices and the blockage of major logistics routes (straits, etc.) due to the situation in Ukraine and the Middle East.

- Rise of resource nationalism

Export restrictions on rare earths and critical minerals that are essential for the shift to EVs, and excessive reliance on certain countries for certain raw materials.

If any of these events occurs, it may have a significant negative impact on our operating results, including a decline in product demand, a slowdown in parts procurement, an increase in energy and distribution costs, an increase in foreign exchange market fluctuations, and even damage to or suspension of our operations.

#### Main countermeasures

In response to these unavoidable changes in the external environment, we are continuously strengthening the following measures to enhance management flexibility and resilience.

- Strengthening the “local production for local consumption (Made in Market)” system

We have a thorough “local development, local production, local consumption” system that integrates development, production, sales and service in major markets. This not only enables us to respond quickly to the needs of our local customers, but also minimizes the impact of trade barriers such as tariffs, logistics disruptions, and currency fluctuations, and increases our resilience to geopolitical changes.

- Strengthening supply chains and adapting to economic security

In order to avoid dependence on specific suppliers for important parts and raw materials, we constantly promote the use of multiple suppliers (multi-sourcing) and the development of alternative suppliers. In addition, from the perspective of economic security, we are promoting a multipolar supply chain and building a flexible supply system that can continue operations even in unexpected situations through the sophistication of inventory management.

- Optimization of business portfolio and market diversification

We are working to diversify our global markets by eliminating excessive dependence on specific countries and regions. By actively investing in growing markets and promoting the diversification of businesses through product and technological development, we are working to mitigate the impact of deteriorating conditions in certain regions on our overall performance.

- Improvement of the information gathering system and establishment of a flexible decision-making system

We will accelerate our information gathering by using a system to quickly grasp changes in the political situation, trade policies, and laws and regulations of each country and provide timely feedback to management. Based on this, we will implement flexible decision making in advance of changes in the business environment, such as the transfer of production sites and the revision of business strategies.

#### (4) Risks related to changes in the technological environment and industrial structure

##### Risk details

Rapid technological innovation and changes in the industrial structure could have a serious impact on our business model. In particular, the transformation of the need for thermal solutions at data centers due to the spread of generative AI and the development of autonomous driving technology against the backdrop of the shift to software defined vehicles (SDV) involve the risk of sudden changes of demand for conventional product lineups. For example, the integration of electric drive systems, as typified by the E-Axle, and advances in sensor technology have the potential to displace or reduce demand for conventional individual machine parts.

In addition, the opening up of technology and the shortening of development periods through the use of digital twins will accelerate the entry of new competitive players, including those from other industries, and threaten our market share. If research & development and the transformation of businesses do not progress appropriately and promptly in response to these technological paradigm shifts, our products may become obsolete and our market competitiveness may decline, which may have an adverse effect on our operating results and financial position.

##### Main countermeasures

We regard these changes in the technological environment and industrial structure as important management issues, and are taking the following measures to maintain and strengthen our competitiveness.

##### - Shifting to modularization and systemization and strengthening ability to propose solutions

In addition to the provision of stand-alone motors, we will promote the development and proposal of system solutions that combine control technology and cooling systems to increase added value for customers and differentiate ourselves from other companies.

##### - Strengthening the research & development structure and promoting open innovation

We will focus our research & development investment on next-generation technologies (thermal solutions, electrification, sensing, etc.) and actively utilize strategic partnerships and alliances with external institutions, including start-up companies, to build a system that can quickly capture innovative technologies and knowledge.

##### - Strengthening marketing functions and optimizing the portfolio

We will strengthen marketing research to accurately grasp changes in market trends and customer needs and quickly review the optimal medium- to long-term portfolio based on the technology roadmap for each product.

##### - Development of highly skilled technical human resources and knowledge sharing

By holding regular workshops with internal experts and utilizing external re-skilling programs, we share information on the latest technologies (AI, digital development tools, etc.) throughout the company, and develop and assign highly skilled technical human resources who can respond flexibly to changes.

## (5) Risks related to competition

### Risk details

The markets in which we operate, including small precision motors, automotive, consumer electronics, commercial and industrial, and equipment markets, are global markets in which competition is extremely intense. In particular, the rapid emergence of local manufacturers in emerging countries and the acceleration of technological innovations by existing competitors could have a significant impact on our competitiveness and profitability under the following circumstances.

- Turnaround of technology development and speed to market  
When competitors make next-generation technologies (such as AI integrated products and high-efficiency motors) into products faster than our company and secure a de facto standard.
- Relative decline in cost competitiveness  
When competitors build more efficient procurement and production systems in response to fluctuations in raw materials prices and rising energy costs, resulting in inferior price competition.
- Delay in adapting to business model changes  
When losing customer support in new value-added competition, such as progress in software definition and the shift to services, which is not limited to products alone.
- Drastic changes in the competitive environment due to industry reorganization  
A major merger or tie up between competitors or the entry of a company from a different industry (e.g., a big tech company) that undermines market share and pricing power.
- Lack of compliance with local regulations and standards  
When we fail to launch products in a timely and appropriate manner in response to environmental regulations and security standards unique to each country and the specific needs of the region.

### Main countermeasures

In order to secure a sustainable advantage in an increasingly competitive environment, we have established the following five areas, based on the pillars of “maximizing Group synergies” and “concentrating resources on high-value-added areas,” with the resolution of social issues as the starting point. By concentrating the technologies and resources of each Group company, we aim to differentiate ourselves from competitors.

- Base of AI society  
Provide cooling systems and high-precision actuators for AI servers.
- Sustainable infrastructure and energy  
Focus on renewable energy and energy storage systems (BESS).
- Efficient manufacturing  
Robotics and factory automation solutions.
- Pursuit of a Better Life  
Motor solutions for energy-saving, high-performance home appliances.
- Mobility innovation  
Contributing to the next generation of mobility with a focus on the E-Axle.

(\*For details of the core areas, please refer to the latest integrated report and financial results materials.)

### 3) Business operation risks

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| (1) Risks related to customs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Risk details</p> <p>NIDEC is engaged in the manufacture and sale of products in various countries around the world and is subject to various trade-related laws and regulations, such as customs laws, import and export regulations, and rules of origin in each country and region. Inappropriate customs declaration practices have been identified at some subsidiaries in the Group. The Company has hired outside experts to conduct an investigation and has made voluntary declarations to the relevant authorities and payment of additional customs duties, etc., for some import transactions in the United States. In addition, we have been conducting similar investigations for the other U.S. import bases and assessing customs and trade risks for intra-group import and export transactions in countries and regions other than the U.S. through commercial distribution analysis and other means. Based on the results of these investigations and risk assessment, the necessary accounting impact is reflected in the financial statements, and corrective measures are being sequentially implemented at each import and export base.</p> <p>If additional investigations or confirmations in the future reveal that the Group had not been properly complying with customs declarations and other trade-related laws and regulations, we may be subject to administrative or legal measures by the relevant authorities, as well as financial burdens of additional customs duties, penalty taxes, and delinquent taxes, etc. Also, new facts or decisions by the relevant authorities may result in additional burdens that exceed the effects recognized by the Company at present. Depending on the details of these events, new facts that may come to light in the future, and decisions made by the relevant authorities, the Group's business performance, financial position and cash flows may be affected by additional financial burdens and legal liabilities, as well as deterioration of relationships with business partners and social credibility.</p>                                                                                                                                 |
| <p>Main countermeasures</p> <p>In order to reduce risks associated with customs duties, the following measures have been taken:</p> <ul style="list-style-type: none"> <li>-In addition to using outside experts to investigate and analyze the causes of the issues related to customs declarations, we have expanded the scope of the investigation to include other import and export bases and transactions to confirm whether there are other similar issues. In addition, based on the results of the investigation, the Company has taken necessary actions, such as filing tax returns and paying taxes, and has taken necessary corrective measures at each import and export base.</li> <li>-In addition, to enhance the trade compliance structure of the entire group, we have revised relevant regulations and updated them to a globally unified trade compliance structure. At the same time, we have developed a system to manage trade compliance across the group by strengthening the system for collecting and sharing information and coordinating among regions and locations.</li> <li>-The Company is working to strengthen its governance system related to trade control by strengthening cooperation between the Logistics Division, which is responsible for import and export operations, and the Legal and Trade Control Division, which is responsible for legal compliance and trade control.</li> <li>-In addition to developing guidelines on country of origin declarations, tariff classifications, and the application of free trade agreements, reviewing business processes relating to import and export transactions, and strengthening internal audits and monitoring, we are providing employees with systematic and comprehensive learning programs, including trade compliance.</li> <li>-At the same time, in order to strengthen our response to economic security, we are developing a system to properly comply with laws and regulations related to export controls and economic sanctions.</li> <li>-Through these initiatives, we are ensuring thorough compliance with trade-related laws and regulations and working to prevent recurrence and reduce tariff risk.</li> </ul> |

## (2) Risks related to quality of our products

### Risk details

In recent years, customers have been increasingly demanding higher levels of product quality, safety, reliability and compliance. If we are unable to provide safe, high quality products on a continuous basis, it may result not only in damage to the products themselves, but also in property damage, the loss of human life, quality-related problems with customer products, and impacts on our customers' production activities.

As a result, we may incur significant expenses associated with the collection and repair of defective products, alternative production, customer compensation, damage compensation, investigation response, corrective measures, recurrence prevention measures, etc. In addition, a deterioration in the brand image and social credibility could lead to a decline in sales, the loss of opportunities to receive orders, a reduction in business with major customers, or an outflow of human resources. This may result in financial burdens and the loss of human resources and cause a serious negative impact on the Group's operating results, financial position, and cash flows.

### Main countermeasures

As part of the improvement of the internal management system through the "Nidec Rehabilitation Committee," which was established on October 30, 2025, we began a comprehensive quality inspection of the Group's production bases and R&D bases on January 8, 2026, with the aim of confirming the status of the quality control system and change management process, identifying quality-related issues, and considering necessary corrective measures and recurrence prevention measures. Specifically, The Company conducted interviews with employees in each production base, reviewed records of process changes, design changes, etc., and established a reporting desk (hereinafter referred to as the "Quality Feedback Channel") for all employee to provide information on quality-related concerns. We also conducted voluntary inspections of the Group's production activities going back to 2020. As a result of the comprehensive quality inspections, suspected misconduct was found with certain products manufactured by the Company and group companies, such as changes in materials, processes, designs, etc., that were not confirmed by customers.

As there had been reports of suspected misconduct at multiple locations, the Company determined that an objective investigation by outside experts, who have extensive experience and expertise in investigating similar cases, was necessary in order to clarify the facts in more detail, determine the causes, and consider effective improvement measures to strengthen its commitment to quality assurance, and established an investigation committee on May 13, 2026. The investigation by the Investigation Committee has been completed and we have received the investigation report on September 2, 2026.

The issues related to our corporate stance and organizational culture, such as excessive performance pressure and a culture that discourages speaking up, which were recognized as background factors behind instances of quality misconduct, share common root causes with our accounting issues. Therefore, we will continue to steadily drive the cultural reform initiatives outlined in our Improvement Plan while fostering and establishing a culture of quality compliance. Furthermore, in addition to these shared cultural issues, we will address challenges specific to quality assurance systems and processes by strengthening monitoring and deterrence mechanisms through our Quality Assurance organization.

- Fostering and Establishing a Quality Compliance Culture

We made the "Quality Suggestion Box" a permanent channel and, between July and September 2026, issued the "CQO Re-Definition Declaration" to all employees. This message conveyed our commitment to moving forward together toward proud craftsmanship that prioritizes quality and puts our customers first. In addition, at the general meeting on September 7, 2026, the CEO, CCO, and CSCO delivered a message to all employees regarding measures to prevent recurrence and restore trust. Alongside these messages, in September 2026, we conducted quality compliance training led by an external attorney for corporate management, division heads, and group company presidents. Going forward, we will roll out quality compliance training for all employees. This will serve to reemphasize that misconduct revealed in this incident, such as unauthorized changes to materials, processes, or designs without customer approval, as well as the improper handling of test and inspection data, constitutes a violation of quality compliance. We will also ensure everyone is aware of the need to report any such incidents to the appropriate report lines or submit them via the Quality Suggestion Box.

- Strengthening monitoring and deterrence mechanisms by the Quality Assurance Organization

In September 2026, we revised the Global Quality Assurance Basic Regulations to clarify the authority of Quality Assurance leaders at each division and group company to independently order shipments to be halted, separate from other departments such as manufacturing and sales. We also strengthened the involvement and control of Quality Assurance Departments regarding 4M changes and inspection processes. To confirm and ensure compliance with these regulations, our Global Quality Management Department will conduct quality audits starting in October 2026. Furthermore, we will review escalation rules and reporting lines between the Chief Quality Officer (CQO)/Headquarters Global Quality Management Division and the Quality Assurance leaders at each business division and group company (including their respective subsidiaries), rebuilding our framework to ensure that information regarding quality compliance across the group is promptly reported to and addressed by the company.

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| (3) Risks related to information security                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p>Risk details</p> <p>We possess a wide range of confidential and personal information of customers, business partners, and employees through our global business activities. In addition, with the progress of digital transformation (DX) at factories, intellectual property and operation data at production sites have become important assets. Appropriately protecting this information is an important management issue for ensuring competitive advantage and maintaining the trust of stakeholders. However, cyberattacks are becoming increasingly sophisticated, and information security risks may materialize due to the following factors.</p> <ul style="list-style-type: none"> <li>- Advanced cyberattacks <p>Information theft and system outage due to ransomware attacks, sophisticated phishing scams and targeted attacks that exploit generative AI.</p> </li> <li>- Impact on the supply chain <p>The risk of a serious impact on the entire supply chain, such as the stagnation of parts supply, due to cyberattacks that cause disruptions of networks and core systems within the Group, including overseas bases.</p> </li> <li>- Internal factors <p>Information leakage caused by human factors such as misconduct by officers and employees, inadequate management of contractors, or setting errors.</p> </li> </ul> <p>If a serious information leakage or system failure occurs, we may have to pay large amounts of compensation or fines arising from legal liabilities, may lose the opportunity to receive orders due to the loss of social trust, and may delay deliveries due to the suspension of production lines, which may have a significant negative impact on our operating results and financial position.</p>                                                                                |
| <p>Main countermeasures</p> <p>To counter the ever-increasing threats, we are strengthening our technological and organizational defense and surveillance systems to maintain a uniform level of security throughout the Group.</p> <ul style="list-style-type: none"> <li>- Integrate global governance and surveillance systems <p>A Group-wide information security management system is operated under the Chief Information Security Officer (CISO). Furthermore, through integration and centralization at the Security Operations Center (SOC), we are developing a system that monitors equipment, etc. at our sites around the world 24 hours a day, 365 days a year, and detects and responds to signs of incidents at an early stage.</p> </li> <li>- Defend the external perimeter through attack surface management <p>In order to prevent supply chain disruptions caused by the Company, we are strengthening our efforts to comprehensively visualize and manage the “attack surface” (public servers and external connection devices subject to cyberattacks) of the entire Group, including domestic and overseas sites. We continuously check for vulnerabilities in these assets, which is an easy entry point for cyberattacks, and quickly take corrective measures, such as applying the latest patches, to thoroughly eliminate “weak points” at the external perimeter.</p> </li> <li>- Raise employee awareness and foster a corporate culture <p>We are working to raise and maintain information security awareness through ongoing security education for all officers and employees (including the distribution of warning content and targeted attack email training). We also explain and comment on the latest threat trends and damage cases to prevent information leaks due to human errors.</p> </li> </ul> |

#### (4) Risks related to recruiting and retaining highly skilled personnel

##### Risk details

In order to achieve sustainable growth and increase our corporate value by solving social issues, it is essential to secure technical and management human resources with a high level of expertise and diverse human resources who can play an active role on a global scale.

However, in addition to intensifying competition for human resources in Japan and overseas, there is a risk that it will be difficult to hire as planned or that we will lose existing excellent human resources due to a deterioration in our social credibility and brand value and a decline in external evaluations of our compliance-related corporate culture. In particular, if there is an outflow of specialized human resources or next-generation leaders who are responsible for inheriting proprietary technologies, it may cause a delay in research & development and adversely affect the long-term growth and operating results of the Group.

##### Main countermeasures

Based on the recognition that people are the source of our sustainable growth, we are focusing on rebuilding our foundation and retaining our human resources through the following measures.

##### - Reform of corporate culture and improvement of organizational climate

In order to quickly regain the trust of stakeholders and create an environment in which employees can work with pride, we are promoting company-wide reforms to increase awareness of compliance and create an open organizational culture. By communicating the progress of these initiatives in a highly transparent manner and promoting our sound governance system, we aim to establish and acquire a foothold in human resources.

##### - Strategic recruitment

We have drawn up a hiring plan that appropriately addresses the needs of our business divisions and clarifies our targets. In particular, in the recruitment of new graduates, we are strengthening cooperation with universities and specialized institutions, and through internship programs in cooperation with departments, we are able to quickly acquire excellent human resources.

##### - Career and skill development support

We encourage employees to develop their own careers through career training for managers and young employees, career interviews with managers using career sheet plans, and in-house job postings.

##### - Skill development support

We have introduced programs to help employees acquire knowledge and skills that are useful for their current and future work, and we support employee skill development.

##### - Global Human Resources Strategy Committee

Key personnel from each business and region gather together to discuss and promote personnel issues and measures that should be given global priority, such as identifying and developing with expertise, in order to realize the right person in the right place beyond the boundaries of the business and region.

## (5) Risks related to research and development

### Risk details

We are prioritizing the investment of business resources in the development of cutting-edge technology with a focus on solving social issues in high-growth fields such as AI server cooling, aerospace (defense), humanoid robots, energy storage (BESS), and semiconductor-related industries. However, R&D activities involve the following risks.

- Risk of obsolescence of R&D assets due to discontinuous changes in technology  
In areas where the pace of technological innovations is extremely rapid, if discontinuous innovations (discontinuous technological changes) occur or if the transition to “system solutions,” in which hardware and software are highly integrated, is delayed, there is a risk that the technological assets and research & development investment accumulated in advance will rapidly become obsolete.
- Risk of incompatible development resources due to misreading of market trends  
Failure to capture technological trends and changing market needs in a timely and accurate manner may result in an inability to quickly allocate resources to high-growth areas, resulting in our development speed being behind our competitors’ and a loss of future market position.
- Risk of loss of capital efficiency (EV) due to diversification of R&D investment  
There is a risk that the efficiency of R&D investments will decline and the creation of medium- to long-term corporate value will be impeded if there is duplication of elemental technology development among business divisions or if resources continue to be poured into R&D in commoditized general-purpose product fields.

### Main countermeasures

In order to maximize the efficiency of research & development investment and make the competitive advantage permanent, we are taking the following measures in the R&D sector:

- Ensure self-evolving R&D governance and strict stage-gate discipline  
We evaluate the return on investment of all R&D projects based on their contribution to ROIC and corporate value. In the development process, we will introduce a “stage-gate system” and thoroughly enforce discipline in shifting resources from R&D in low-growth projects with lower WACC and commoditized businesses with little future revenue to high-growth fields.
- Maximizing development efficiency through a common technology platform across business divisions  
Based on core technologies such as “rotating/moving,” “thermal management,” and “energy conversion,” we are building a “common technology platform” that transcends the boundaries of each business division to share product and production technology assets. This will eliminate the duplication of elemental technology development, accelerate development speed and maximize investment efficiency at the same time.
- Strategic shift of resources to the high-certification, high-reliability market  
We will shift R&D resources to hard-to-imitate domains that require extremely high levels of certification and reliability, such as aerospace (eVTOL) and healthcare. As a result, we will establish high-value-added system solutions that combine hardware and software and build strong entry barriers.

## (6) Risks related to procurement of raw materials or components

### Risk details

We procure most of the raw materials (steel, copper, aluminum, rare earths, etc.) and electronic components that are indispensable for the manufacture of products from outside sources. If the supply and demand conditions for these materials deteriorate extremely, it could cause production plans to stagnate or delivery times to be delayed and have a serious impact on operating results. Especially in recent years, the following factors have complicated procurement risks:

#### - Geopolitical tensions and tariff barriers

There is a risk that existing procurement channels will become difficult to maintain or that procurement costs will rise sharply due to export restrictions resulting from confrontations between countries or the introduction of high tariff measures (tariff barriers) on imports from specific countries or regions.

#### - Policy changes related to economic security

From the perspective of environmental protection, human rights protection (the elimination of forced labor), or national security, there is a possibility that procurement constraints will arise due to the need to adapt to stricter regulations by governments around the world on the traceability of raw materials origin and parts.

#### - Disruption of the supply chain

There is a risk of supply disruptions due to logistics network disruptions caused by regional conflicts and large-scale disasters, or excessive dependence on a particular supplier.

### Main countermeasures

We are strengthening the following measures to build a resilient supply chain that can withstand drastic changes in the procurement environment.

#### - Multi-sourcing and geographical diversification of suppliers

We are building a global procurement system based on the principle of “local production for local consumption (Made in Market)” that does not depend on any particular suppliers, countries or regions. This allows us to quickly source from alternative routes in the event of supply disruptions due to geopolitical risks or tariff measures.

#### - Thorough implementation of sustainable procurement (ESG due diligence)

When selecting suppliers, in addition to quality, price, and delivery times, we strictly pre-assess that consideration is given to environmental impact, compliance with human rights, the working environment, and resource availability (responsible procurement of minerals, etc.). We are focusing on improving the transparency of the entire supply chain to respond quickly to regulatory changes.

#### - Secure stability through strategic inventory management and long-term contracts

We have entered into long-term contracts to ensure priority allocation and price stability for critical raw materials and low-utility components. In addition, we are increasing our resilience to sudden changes in demand and distribution risks by optimally allocating safety stocks and diversifying procurement sites based on demand forecasts using AI.

#### - Promote the development of alternative materials and technologies

For materials (such as rare earths) with a risk of export restrictions from specific countries, we are promoting product design that is unaffected by changes in the external environment by developing technology to reduce the amount used and accelerating the switch to alternative materials.

## (7) Risks related to intellectual property

### Risk details

Although we protect our core technologies through intellectual property rights to maintain their superiority, we are aware of the following risks.

- A risk that we may be required to pay a large amount of damages, an injunction, or unreasonable license fees (royalties) after a third-party claims that our products infringe on its intellectual property rights.
- A risk that a past intellectual property dispute will surface or there will be a deficiency in the intellectual property management system in a business newly entered through M&A.
- A risk of improper leakage of manufacturing know-how and trade secrets accumulated over many years through employee mobility and joint development.
- A risk that existing intellectual property rights may become invalid due to differences in the legal systems in each country.

### Main countermeasures

We have taken the following measures to minimize risks related to intellectual property.

- From the initial stage of product development, we conduct comprehensive and ongoing investigations into the intellectual property rights of third parties to eliminate the risk of infringing on their intellectual property rights. When necessary, we cooperate with external law firms to respond promptly and appropriately.
- To maintain competitiveness by protecting our proprietary technologies, we actively acquire, maintain and manage intellectual property rights related to our core technologies, monitor product operations of other companies, and protect our business activities. In addition, we thoroughly educate employees on information management to prevent leaks of confidential information.
- We strengthen the protection of international business by acquiring, maintaining and managing intellectual property rights appropriately in accordance with the intellectual property rights legal systems of each country.

Through these measures, we aim to minimize risks related to intellectual property and achieve sustainable business growth.

| (8) Risks related to human rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <p>Risk details</p> <p>As the pace of global expansion accelerates, our corporate social responsibility to respect human rights is regarded as extremely important. If human rights due diligence is deemed to be insufficient, or if trends in our social credibility and other factors raise doubts about our stance on human rights, there is a risk that external evaluations will decline significantly. In addition to legal sanctions and damage to brand value, these could lead to exclusion from the global supply chain and boycotts, affecting our revenue, market share and business continuity.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Main countermeasures</p> <p>We recognize the importance of respecting human rights based on international guidelines. In addition to prohibiting forced labor and child labor, eliminating discrimination, and ensuring appropriate working conditions, we use our supply chain to implement initiatives that involve business partners and suppliers. Specific activities are as follows.</p> <ul style="list-style-type: none"> <li>- Thoroughly implement human rights policies <p>As part of our efforts to make management more transparent and restore trust, we continue to ensure that all executive officers, employees and business partners are well informed based on the Nidec Group Basic Policies on Human Rights. Based on the revision of the Basic Policies in 2024, we are working to foster compliance awareness in response to the latest social conditions, strengthening supervisory functions by the Board of Directors, and placing respect for human rights at the core of management.</p> </li> <li>- Improve the effectiveness of human rights due diligence <p>The Group and supply chain self-assessments (SAQ) are conducted on an ongoing basis. Based on the collected data, in the event of a negative impact on human rights, risks are assessed with two axes of “severity” and “probability of occurrence,” and responses are clearly prioritized. Based on the results of surveys conducted at approximately 300 sites and major suppliers in fiscal 2023, we designated the Southeast Asian region as a priority area in fiscal 2024. We have increased the accuracy of information through direct interviews to the local sites and have begun collecting information to identify and assess risks according to regional characteristics.</p> </li> <li>- Develop a system to address human rights <p>We are committed to improving the workplace environment and raising awareness of human rights through regular monitoring, education, and training programs. In the event of any incident, we have developed a system to ensure prompt corrective action and remediation. In particular, we are working to identify potential risks at an early stage by raising awareness of the whistle-blowing system and strengthening whistle-blower protection. In addition, we discontinue, prevent, and mitigate negative impacts on human rights via daily activities by the Sustainability Promotion Meeting, chaired by the President, and by the Human Rights Subcommittee, which comprises departments in charge of human rights issues. The Human Rights Subcommittee’s actions are supervised by the Sustainability Committee, composed of the members of the Board, to which reports are submitted regularly. Furthermore, reports to the Sustainability Committee are submitted to the Board of Directors by the Committee’s chair.</p> </li> </ul> |

#### (9) Risks related to fluctuations of foreign currency exchange rates

##### Risk details

We operate globally, and most of our sales are made in currencies other than Japanese yen, such as the U.S. dollar, euro, Chinese yuan, and Thai baht. As a result, fluctuations in foreign exchange rates may have a direct impact on our operating results. If the yen appreciates, sales outside Japan will decline on a yen equivalent basis, resulting in pressure on operating profit and net income. Also, when we integrate the performance of our foreign subsidiaries into the consolidated financial statements operations, the impact of exchange rate fluctuations is significant, and currency instability, particularly in emerging markets, is a risk factor. In addition, there are concerns that fluctuations in assets and liabilities denominated in foreign currencies may generate foreign exchange gains and losses and have a negative impact on financial conditions.

##### Main countermeasures

We have taken the following measures to minimize risks related to exchange rates.

- Offset sales and purchase transactions are denominated in foreign currencies and utilize natural hedges.
- Periodically monitor the status of foreign exchange risks and review transaction currencies as necessary.
- Diversify risk by conducting transactions in various currencies in overseas markets and reducing dependence on specific currencies.

#### (10) Risks related to fluctuations of interest rates

##### Risk details

We hold long term and short term receivables and interest bearing liabilities with fixed and variable interest rates. Changes in these interest rates could have a material impact on funding costs and revenue from investments. A rise in interest rates could increase borrowing costs and have a direct negative impact on operating profit ratio and cash flows.

##### Main countermeasures

We have taken the following measures to minimize risks related to interest rates.

- Utilize derivative products such as interest swaps and interest options to ensure predictable funding costs.
- Monitor interest rates on a regular basis and diversify risks by reviewing the composition of assets and liabilities. Also optimize the ratio of interest sensitive assets and liabilities.
- For long term cash planning, conduct stress tests assuming multiple scenarios to assess resilience to interest rate fluctuations, thereby supporting prompt decision making.
- Pay close attention to economic trends and changes in monetary policy and flexibly review our funding strategy as necessary.
- Mitigates the risk of being forced to refinance large-scale borrowings in a high-interest-rate environment by smoothing out funding periods so that repayments and maturities in borrowings and bonds payable are not concentrated in a specific period.

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| (11) Risks related to our liquidity of funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>Risk details</p> <p>We rely primarily on borrowings from financial institutions and direct equity financing from financial markets to finance our growth and operations. There is a risk that financial institutions may tighten their lending conditions or restrict their funding opportunities due to fluctuations in financial markets and uncertainties in the economic environment. In particular, if the global economic situation worsens, credit ratings decline and investors become more risk averse, increasing the possibility that the necessary funds cannot be raised under suitable conditions. This situation can result in a shortage of working capital and delays in capital investment, which can have a serious impact on the growth strategy and competitiveness of the business. In addition, there are concerns that an increase in funding costs and a deterioration in cash flow will lead to a deterioration in financial conditions.</p>                                                                                                                                                                                                                                                                                         |
| <p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to the liquidity of funds.</p> <ul style="list-style-type: none"> <li>- Secure liquidity<br/>In preparation for unexpected demand for funds due to turmoil in the financial markets, we have established commitment line agreements with our main financial institutions to ensure sufficient liquidity to continue business.</li> <li>- Diversify funding<br/>Consider financing methods such as bank loans and the issuance of bonds to broaden the sources of funding. In particular, develop a long term funding plan and regularly conduct stress tests to mitigate risks to short-term funding needs.</li> <li>- Efficient management of working capital<br/>By reviewing our inventory management and accounts receivable collection processes, we stabilize our cash flow and create a system that can respond quickly to sudden demands for funds.</li> <li>- Maintain and improve credit ratings<br/>Promote management that emphasizes financial soundness and conduct highly transparent financial reporting.</li> <li>- Global cash management system:<br/>Aim to efficiently allocate funds by consolidating surplus funds in each region.</li> </ul> |
| (12) Risks related to recoverability of deferred tax assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Risk details</p> <p>We must assess on an ongoing basis whether deferred tax assets are recoverable from future taxable profit. Changes in economic conditions, deterioration in business performance, or the introduction of new regulations may significantly affect the recoverability of deferred tax assets. As a result, there is a risk that we may determine that some or all its deferred tax assets are unrecoverable, which could result in a decrease in income. In particular, there are concerns that intensifying competition and market fluctuations could exert a material impact on our financial soundness.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to deferred tax assets uncertainty.</p> <ul style="list-style-type: none"> <li>- Conduct periodic reviews of the recoverability of deferred tax assets and develop a framework for reviewing the amounts in response to performance and market trends.</li> <li>- In formulating tax strategy, we analyze the future taxable income prospects in detail and visualize risks through scenario planning.</li> <li>- In cooperation with specialized tax advisors, strengthen information gathering based on the latest tax reforms and industry trends, and build a system to support prompt decision making.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

#### 4) Contingency risk

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| <b>(1) Risks related to natural and human disasters</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>Risk details</b></p> <p>Natural disasters (earthquakes, typhoons, floods, etc.) and man made disasters (wars, conflicts, terrorism, etc.) can have a serious impact on corporate activities in Japan and overseas where we conduct business. In particular, if a large scale disaster occurs in an area where major manufacturing sites and supply chains are concentrated, product manufacture and supply may stagnate, resulting in delays in delivery to customers and higher production costs. As a result, our brand image and customer confidence may decline, adversely affecting revenue in the long term.</p>                                                                                                                                                                                                                                                               |
| <p><b>Main countermeasures</b></p> <p>We have taken the following measures to minimize risks related to natural and man made disasters.</p> <ul style="list-style-type: none"> <li>- Risk monitoring <p>Risk Officers at each of our business sites around the world play a central role in the early detection of factors that could hinder business continuity and the appropriate response.</p> </li> <li>- Risk diversification <p>Work to minimize the impact of a disaster by geographically dispersing our production sites and duplicating our supply chain.</p> </li> <li>- Risk transfer <p>Purchase non life insurance to reduce the financial impact when damage occurs.</p> </li> <li>- Business continuity management <p>Develop a Business Continuity Plan (BCP) and conduct training at domestic and overseas sites to prepare for business interruptions.</p> </li> </ul> |

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| <b>(2) Risks related to climate change</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Risk details</b></p> <p>Climate change is a serious threat to our business's sustainability and competitiveness, particularly in the manufacturing sector. The materialization of the following risk events could have a material adverse effect on our financial condition. Please refer to "II. Business Overview, 2. Views and Initiatives on Sustainability, (Reference) Major climate change risks, opportunities, and mitigation approaches" for details on risks and measures related to climate change.</p> |
| <p><b>Main countermeasures</b></p> <p>Please refer to "II. Business Overview, 2. Views and Initiatives on Sustainability, (Reference) Major climate change risks, opportunities, and mitigation approaches".</p>                                                                                                                                                                                                                                                                                                          |

#### 5) Risks for foreign investors

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(1) Japan's unit share system imposes restrictions in holdings of our common stock that do not constitute whole units</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Risk details</b></p> <p>Our Articles of Incorporation provide that 100 shares of our stock constitute one "unit". The Companies Act of Japan imposes significant restrictions and limitations on holdings of shares that constitute less than a whole unit. Holders of shares constituting less than a unit do not have the right to vote. A shareholder who owns shares representing less than one unit will not be able to exercise any rights relating to voting rights, such as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. Under the unit share system, holders of shares constituting less than a unit have the right to require us to purchase their shares. However, holders of the American Depositary Shares ("ADSs") that represent other than multiples of whole units cannot withdraw the underlying shares representing less than one unit and, therefore, they will be unable to exercise the right to require us to purchase the underlying shares. As a result, holders of ADSs representing shares in lots of less than one unit may not have access to the Japanese markets to sell their shares through the withdrawal mechanism.</p> |

(2) Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Risk details

Our Articles of Incorporation, Regulations of the Board of Directors, Share Trading Regulations and the other related regulations, as well as the Companies Act govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a non Japanese company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions within the United States. Shareholders may have more difficulty in asserting their rights as a shareholder than they would as a shareholder of a corporation organized in another jurisdiction. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan that are based upon the securities laws of the United States or any U.S. state.

(3) A holder of our ADSs will have fewer rights than a shareholder has and will need to act through the depositary to exercise those rights

Risk details

The rights of the shareholders under Japanese law to take actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders of record. Because the depositary, through its custodian agent, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying ADSs as instructed by the ADS holder and will pay to ADS holders the dividends and distributions collected from us. However, as an ADS holder, shareholders will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights in their capacity as ADS holder.

(4) Because of daily price range limitations under Japanese stock exchange rules, shareholders may not be able to sell their shares of our common stock at a particular price on any particular trading day, or at all

Risk details

Stock prices on Japanese stock exchanges are determined on a real time basis by the equilibrium between bids and offers. These exchanges are order driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

(5) Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs

Risk details

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

(6) It may not be possible for investors to effect service of process within the United States upon us or our members of the Board of Directors or members of the Audit and Supervisory Board or to enforce against us or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States

Risk details

We are a limited liability, joint stock corporation incorporated under the laws of Japan. Most of our members of the Board of Directors or members of the Audit and Supervisory Board reside in Japan. A substantial portion of our assets and all or substantially all of the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgment obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

#### **4. Management Analysis of Financial Position, Operating Results and Cash Flows**

Forward-looking statements below were determined as of the end of the current fiscal year.

As described in “II. Business Overview, 1. Management Policies, Business Environment, and Challenges” and “V. Consolidated Financial Statements and Other Information, Notes to Consolidated Financial Statements, 43. Additional information (Improper accounting practices and other related matters)”, the Company established the independent Third-Party Committee in accordance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025, and received the investigation report from the Third-Party Committee on February 27, 2026, and the investigation report (supplement) as its final report on April 17 of the same year. In addition, the Company has conducted internal investigations regarding potential quality issues and issues related to trade transactions and tariffs. In these reports, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in the Company and the group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, the Company decided that it was necessary to retroactively correct 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.

The analytical figures and other information presented below are based on the consolidated financial statements for the 52nd business term, reflecting these restatements.

##### **(1) Material accounting policies and significant accounting estimates**

NIDEC’s consolidated financial statements have been prepared in compliance with International Financial Reporting Accounting Standards (hereinafter referred to as “IFRS Accounting”) pursuant to the provision of Article 312 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

In preparing IFRS Accounting-compliant consolidated financial statements, NIDEC developed and used estimates, judgment, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may be different from such estimates, judgment, and assumptions.

In the event that accounting estimates must be prepared under a high level of uncertainty at the time when accounting estimates are made, such accounting estimates will be different from accounting estimates based on rational comparison with the most recent accounting period or rational estimates of the corresponding period of occurrence, and can be expected to have significant effect on the estimates of financial position, changes in the financial position, and operating results.

For further information, refer “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Material accounting policies, 4. Significant accounting estimates, judgments and assumptions”.

## (2) Operating results

During the twelve months ended months ended 2025, the global economy remained resilient overall and gradually recovered by various national policies. On the other hand, outlook remained uncertain due to factors such as the impact of U.S trade and tariff policies, highlighted geopolitical risks in the Middle East, and fluctuations in financial markets.

In this economic situation, the initiatives by product group are as follows:

First, in the Small precision motors, we are working to develop and expand net sales of products that respond to the evolution required to support the explosive growth of the market in our product groups for AI data centers that support the AI society, including water-cooling modules and near-line HDDs. In addition to these efforts, we are also working to further boost profitability by reviewing unprofitable models.

Next, in the Automotive products, we will continue to provide the market with mobility innovations that contribute to the promotion of electrification and automation of mobility through a wide variety of products and related modules. At the same time, we are working to improve profitability by thoroughly reviewing orders for unprofitable models and reducing fixed costs. Also, with the integration of the Automotive organic (existing business) into the Appliance Commercial Industrial Motors Business Unit (ACIM), Nidec Mobility and Nidec Elesys merged their operations, effective April 1, 2025. We will integrate the resources of both companies and accelerate the restructuring of a system that can reorganize business.

In the Appliance, commercial and industrial products, demand continues to grow for backup power generators for data centers, Battery energy storage systems (BESS) accelerated by green innovation. To meet these strong demands, NIDEC is actively investing in enhancing production capacity in India, France, and North and Middle America, and strengthening its recurring business related to maintenance and inspections downstream of the value chain.

Regarding the Machinery, we are steadily receiving orders amid a global trend toward capital investment aimed at "labor-saving and unmanned operations" and "higher speed and precision." We aim to become a leader in global manufacturing by steadily capturing demand for capital investment while creating synergies between the companies we have acquired through M&A in recent years and our group companies.

Our company and our group will continue to leverage our advanced technological capabilities and manufacturing expertise to pursue ongoing high profitability as a leading company contributing to the realization of a sustainable, circular society.

The following table sets forth consolidated operating results for the year ended March 31, 2025:

(Yen in millions)

|                                                       | For the years ended March 31, |           | Increase or decrease | Ratio of change |
|-------------------------------------------------------|-------------------------------|-----------|----------------------|-----------------|
|                                                       | 2025                          | 2026      |                      |                 |
|                                                       | (Restated)                    |           |                      |                 |
| Net sales                                             | 2,606,347                     | 2,708,705 | 102,358              | 3.9%            |
| Operating profit (loss)                               | 128,222                       | (518,978) | (647,200)            | -               |
| Operating profit ratio                                | 4.9%                          | -         | -                    | -               |
| Profit (loss) before income taxes                     | 124,576                       | (496,214) | (620,790)            | -               |
| Profit (loss) for the year from continuing operations | 79,409                        | (622,910) | (702,319)            | -               |
| Loss for the year from discontinued operations        | (204)                         | (51)      | 153                  | -               |
| Profit (loss) attributable to owners of the parent    | 84,672                        | (564,624) | (649,296)            | -               |

Consolidated net sales from continuing operations increased by 3.9% to ¥2,708,705 million for this fiscal year compared to the previous fiscal year.

Operating profit (loss) decreased by ¥647,200 million to a loss of ¥518,978 million for this fiscal year compared to the previous fiscal year.

This is due to the recording of an impairment loss of Non-financial assets ¥632,135 million.

Profit (loss) before income taxes decreased by ¥620,790 million to a loss of ¥496,214 million including a positive effect of the fluctuations of the foreign currency exchange rates by approximately ¥14,700 million, and profit (loss) attributable to owners of the parent decreased by ¥649,296 million to a loss of ¥564,624 million compared to the previous fiscal year.

The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥150.77 to the U.S. dollar, which reflected an approximately 1% appreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥174.79 to the Euro, which reflected an approximately 7% depreciation of the Japanese yen against the Euro, compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit (loss) for this fiscal year is as follows.

- Net sales: Negative effect by approximately ¥100 million compared to the previous fiscal year.
- Operating profit (loss) : Negative effect by approximately ¥3,000 million compared to the previous fiscal year.

The following table sets forth operating results by segment:

(Yen in millions)

|                                | For the years ended March 31, |           |                      |                         |           |                      |
|--------------------------------|-------------------------------|-----------|----------------------|-------------------------|-----------|----------------------|
|                                | Net sales                     |           |                      | Operating profit (loss) |           |                      |
|                                | 2025                          | 2026      | Increase or decrease | 2025                    | 2026      | Increase or decrease |
|                                | (Restated)                    |           |                      | (Restated)              |           |                      |
| SPMS                           | 395,695                       | 406,983   | 11,288               | 44,386                  | 62,844    | 18,458               |
| AMEC                           | 354,953                       | 370,083   | 15,130               | 53                      | (25,089)  | (25,142)             |
| MOEN                           | 577,832                       | 706,529   | 128,697              | 68,919                  | (72,573)  | (141,492)            |
| ACIM                           | 467,849                       | 443,991   | (23,858)             | 35,668                  | (289,333) | (325,001)            |
| Nidec Machinery and Automation | 216,890                       | 211,588   | (5,302)              | (84,926)                | (13,827)  | 71,099               |
| Group Company Business         | 666,073                       | 635,347   | (30,726)             | 79,175                  | (131,711) | (210,886)            |
| Elimination/corporate          | (72,945)                      | (65,816)  | 7,129                | (15,053)                | (49,289)  | (34,236)             |
| Consolidated total             | 2,606,347                     | 2,708,705 | 102,358              | 128,222                 | (518,978) | (647,200)            |

(Notes) Net sales are the total of sales to external customers and sales to other operating segments.

Net sales of SPMS increased by ¥11,288 million to ¥406,983 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit increased by ¥18,458 million to ¥62,844 million for the year ended March 31, 2026 compared to the year ended March 31, 2025.

Net sales of AMEC increased by ¥15,130 million to ¥370,083 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit (loss) decreased by ¥25,142 million to a loss of ¥25,089 million for the year ended March 31, 2026 compared to the year ended March 31, 2025.

This is due to an impairment loss of Non-financial assets ¥18,387 million in this fiscal year.

Net sales of MOEN increased by ¥128,697 million to ¥706,529 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit (loss) decreased by ¥141,492 million to a loss of ¥72,573 million for the year ended March 31, 2026 compared to the year ended March 31, 2025.

This is due to an impairment loss of Non-financial assets ¥116,287 million in this fiscal year, and the gain on step acquisition the consolidation of Nidec PSA emotors in the previous fiscal year.

Net sales of ACIM decreased by ¥23,858 million to ¥443,991 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit (loss) decreased by ¥325,001 million to a loss of ¥289,333 million for the year ended March 31, 2026 compared to the year ended March 31, 2025.

This is due to an impairment loss of Non-financial assets ¥298,800 million in this fiscal year.

Net sales of Nidec Machinery and Automation decreased by ¥5,302 million to ¥211,588 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit (loss) increased by ¥71,099 million to ¥13,827 million operating loss for the year ended March 31, 2026.

This is due to an impairment loss of Non-financial assets ¥7,027 million in this fiscal year, and to an impairment loss of Non-financial assets ¥95,277 million in the previous fiscal year.

Net sales of the Group Company Business segment decreased by ¥30,726 million to ¥635,347 million for the year ended March 31, 2026 compared to the year ended March 31, 2025. Operating profit (loss) decreased by ¥210,886 million to a loss of ¥131,711 million for the year ended March 31, 2026 compared to the year ended March 31, 2025.

This is due to an impairment loss of Non-financial assets ¥189,699 million in this fiscal year.

Operating results by product category are as follows:

(Yen in millions)

|                                               | For the years ended March 31, |           |                      |                         |           |                      |
|-----------------------------------------------|-------------------------------|-----------|----------------------|-------------------------|-----------|----------------------|
|                                               | Net sales                     |           |                      | Operating profit (loss) |           |                      |
|                                               | 2025                          | 2026      | Increase or decrease | 2025                    | 2026      | Increase or decrease |
|                                               | (Restated)                    |           |                      | (Restated)              |           |                      |
| Small precision motors                        | 487,994                       | 498,696   | 10,702               | 61,651                  | 29,995    | (31,656)             |
| Automotive products                           | 666,791                       | 718,309   | 51,518               | 25,255                  | (250,536) | (275,791)            |
| Appliance, commercial and industrial products | 1,052,308                     | 1,104,605 | 52,297               | 107,655                 | (251,124) | (358,779)            |
| Machinery                                     | 310,532                       | 298,782   | (11,750)             | (64,609)                | (930)     | 63,679               |
| Electronic and optical components             | 85,190                        | 84,560    | (630)                | 13,281                  | 2,415     | (10,866)             |
| Other products                                | 3,532                         | 3,753     | 221                  | 134                     | 508       | 374                  |
| Elimination/corporate                         | -                             | -         | -                    | (15,145)                | (49,306)  | (34,161)             |
| Consolidated total                            | 2,606,347                     | 2,708,705 | 102,358              | 128,222                 | (518,978) | (647,200)            |

Net sales of small precision motors increased by 2.2% to ¥498,696 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs increased by 9.8% to ¥110,152 million for this fiscal year compared to the previous fiscal year. Net sales of other small precision motors increased by 0.2% to ¥388,544 million compared to the previous fiscal year. Operating profit decreased by 51.3% to ¥29,995 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥200 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥700 million compared to the same period of the previous year.

Net sales of automotive products increased by 7.7% to ¥718,309 million for this fiscal year compared to the previous fiscal year. Operating profit (loss) decreased by ¥275,791 to a loss of ¥250,536 million operating loss for this fiscal year compared to the previous fiscal year. This is due to the recording of an impairment loss of Non-financial assets ¥231,085 million.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit (loss) for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥7,100 million compared to the same period of the previous year.
- Operating profit (loss) : Negative effect by approximately ¥2,700 million compared to the same period of the previous year.

Net sales of appliance, commercial and industrial products increased by 5.0% to ¥1,104,605 million for this fiscal year compared to the previous fiscal year. Operating profit (loss) decreased by ¥358,779 million to a loss of ¥251,124 million for this fiscal year compared to the previous fiscal year. This is due to the recording of an impairment loss of Non-financial assets ¥335,139 million.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit (loss) for this fiscal year is as follows.

- Net sales : Negative effect by approximately ¥10,800 million compared to the same period of the previous year.
- Operating profit (loss) : Negative effect by approximately ¥1,300 million compared to the same period of the previous year.

Net sales of machinery decreased by 3.8% to ¥298,782 million for this fiscal year compared to the previous fiscal year. Operating profit (loss) increased by ¥63,679 million to a loss of ¥930 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit (loss) for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥3,100million compared to the same period of the previous year.
- Operating profit (loss) : Negative effect by approximately ¥100million compared to the same period of the previous year.

Net sales of electronic and optical components decreased by 0.7% to ¥84,560 million for this fiscal year compared to the previous fiscal year. Operating profit decreased by 81.8% to ¥2,415 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥300 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥100 million compared to the same period of the previous year.

Net sales of other products increased by 6.3% to ¥3,753 million and operating profit increased by 279.1% to ¥508 million for this fiscal year compared to the previous fiscal year.

### (3) Financial position

Our cash and cash equivalents increased by ¥605,950 million to ¥852,204 million as of March 31, 2026 from ¥246,254 million as of March 31, 2025. This increase was due to a net cash inflow of ¥234,218 million from operating activities and a net cash inflow of ¥418,246 million from financial activities, but this was offset by a net cash outflow of ¥136,238 million from investing activities, such as the acquisition of fixed assets. In order to use our working cash reserves efficiently, we continue to utilize surplus funds inside the NIDEC group by making effective use of our cash management systems (the CMSs) that we established on a region-by-region basis including Japan, China, U.S. and other countries. In addition, we have linked the CMSs one to another for expanding the CMSs network globally. As of March 31, 2026, approximately 48% of our cash and cash equivalents were held by our consolidated subsidiaries outside Japan.

NIDEC participates in an arrangement with a single financial institution to carry out notional pooling within the NIDEC group, including overseas subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution based upon our aggregate cash deposits within the same financial institution. Therefore, cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cross-border cash transfers between group companies are subject to restrictions in certain circumstances. Where local restrictions prevent efficient intercompany transfers of funds, particularly to Nidec Corporation from its subsidiaries outside Japan, Nidec Corporation seeks to meet its liquidity needs through ongoing cash flows, external borrowings, or both, as further discussed below. We do not expect such restrictions on transfers of funds held outside Japan to have a material effect on our overall liquidity, financial condition or results of operations.

Our short term borrowings ¥493,316 million to ¥587,026 million as of March 31, 2026 compared to March 31, 2025. The short term borrowings as of March 31, 2026 consisted of borrowings from banks denominated in Yen.

Our long term debt due within one year ¥69,139 million to ¥95,106 million as of March 31, 2026 compared to March 31, 2025. This was mainly due to an increase of ¥40,440 million for reclassification to long term borrowings due within one year, an increase of ¥20,000 million for reclassification to corporate bonds due within one year and a decrease of ¥131,040 million for redemption of corporate bonds due within one year. The long term debt due within one year as of March 31, 2026 consisted of Unsecured Bonds.

Our long term debt ¥50,035 million to ¥431,272 million as of March 31, 2026 compared to March 31, 2025. This was mainly due to a decrease of ¥40,440 million for reclassification to long term borrowings due within one year, an increase of ¥95,771 million for borrowing. The long term debt as of March 31, 2026 consisted of the borrowings from banks denominated in Yen and Unsecured Bonds.

The total par values of corporate bonds carried on the consolidated statements of financial position as of March 31, 2026, were as follows:

| Issue                                                                                                      | Month of issuance | Total par value | Maturity      | Use of proceeds                                                      |
|------------------------------------------------------------------------------------------------------------|-------------------|-----------------|---------------|----------------------------------------------------------------------|
| Eleventh Series of Domestic Unsecured Bonds<br>(with limited inter-bond pari-passu clause)<br>(Green bond) | November 2019     | 20 billion yen  | November 2026 | Manufacturing traction motors for electric vehicle                   |
| Fourteenth Series of Domestic Unsecured Bonds<br>(with limited inter-bond pari-passu clause)               | July 2022         | 20 billion yen  | July 2032     | Redemption of corporate bonds and repayment of short term borrowings |
| Sixteenth Series of Domestic Unsecured Bonds<br>(with limited inter-bond pari-passu clause)                | November 2022     | 50 billion yen  | November 2027 | Redemption of corporate bonds and repayment of short term borrowings |

The above corporate bonds, except for Euro-Denominated Senior Unsecured Bonds, were issued pursuant to three shelf registration statements filed with the Director-General of the Kanto Local Finance Bureau. The first, filed in March 2019, was valid from April 5, 2019, through April 4, 2020, authorizing up to ¥300 billion of bond issuance. The second, filed in April 2020, was valid from April 9, 2020, through April 8, 2021, authorizing up to ¥300 billion of bond issuance. The third, filed in April 2022, was valid from April 9, 2022, through April 8, 2024, authorizing up to ¥600 billion of bond issuance. We registered these issuance for the purpose of improving our financial stability through diversifying our financing methods by establishing a system that provides NIDEC with flexible availability of funds as required to complement our procurement of funds through indirect financing from financial institutions. A substantial portion of our unsecured funding is raised by the parent company (Nidec Corporation), and is then lent to its subsidiaries to meet their respective capital requirements. Through this funding approach, we seek to lower our financing costs, maintain sufficient lines of credit and ensure agile funding for our group companies.

We expect to seek additional financing in connection with, among other things, our future mergers and acquisitions, research and development activities and facility investments. We may also consider and obtain additional financing in order to enhance our financial agility in mergers and acquisitions, research and development activities, and facility investments in the future.

At a board meeting held on May 27, 2025, it was resolved to repurchase up to 13 million shares and 350,000 million yen of treasury stock between May 28, 2025 and May 27, 2026. However, at a board meeting held on October 23, 2025, it was resolved to cancel the repurchase of treasury stock. It should be noted that no treasury stock was repurchased under this program during the period.

We believe that these funding sources, together with our cash flows from operating activities and undrawn credit lines will sufficiently meet our future capital requirements.

Total assets increased by ¥187,857 million to ¥3,107,621 million as of March 31, 2026 compared to March 31, 2025. This was due to an increase of ¥605,950 million in cash and cash equivalents, and decreases of 218,789 million in property, plant and equipment and 185,456 million in goodwill.

Total liabilities increased by ¥689,860 million to ¥2,342,895 million as of March 31, 2026 compared to March 31, 2025. This was due to an increase of ¥89,242 million in trade and other payables, and an increase of ¥474,213 million in interest-bearing debt.

Our working capital (subtract total current liabilities from total current assets) increased by ¥138,241 million to ¥598,288 million as of March 31, 2026 compared to March 31, 2025. Accounts receivable (trade and other receivables) turnover ratio (net sales divided by account receivables) decreased by 0.1 to 3.7 as of March 31, 2026 compared to March 31, 2025. In addition, inventory turnover ratio (cost of sales divided by inventories) increased by 0.0 to 3.9 as of March 31, 2026 compared to March 31, 2025.

Total equity attributable to owners of the parent increased by ¥445,650 million to ¥794,164 million as of March 31, 2026 compared to March 31, 2025. This was mainly resulted from a decrease of ¥580,760 million in retained earnings and a increased of ¥134,926 million in other components of equity mainly due to decreases of foreign currency translation adjustments. Ratio of total equity attributable to owners of the parent to total assets decreased to 25.6% as of March 31, 2026 from 42.5% as of March 31, 2025.

#### (4) Cash flows

##### 1) Status of capital needs

Our principal capital needs include (1) purchases of property, plant and equipment and other assets, (2) research and development activities, (3) purchases of raw materials, (4) employees' salaries, wages and other payroll costs, (5) investments in subsidiaries, (6) repayment of short term borrowings and long term debt, and (7) purchase of treasury stock. As of March 31, 2026, we had ¥704,712 million of trade and other payables, ¥587,026 million of short term borrowings, and ¥526,378 million of long term debt, including the long term debt due within one year.

Investments for the purchase of property, plant, equipment and other assets totaled ¥130,482 million for the fiscal year ended March 31, 2026. Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥28,636 million as of March 31, 2026.

Our expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥129,887 million.

##### 2) Status of funding raising

NIDEC's required funds will be procured by cash flow from operating activities, borrowing from multiple financial institutions with good business relationships, issuance of corporate bond under the domestic bond shelf registration and a commercial paper program, and others, promoting a diversification of our financing means. Furthermore, to prepare for liquidity risk, NIDEC has entered into commitment line agreements with its trading financial institutions, ensuring that it has sufficient cash and cash equivalents to cover immediate working capital and capital expenditures, as well as certain strategic investment opportunities. As a general rule, we do not procure funds from financial institutions for our group companies, but we continue to promote the unification of fund raising and capital efficiency through intra-group financing using the cash management system of the controlling company and others.

(5) Production, Orders Received and Sales

1) Production results

Consolidated production results by reporting segment for the year ended March 31, 2026 were as follows:

| Reporting segment              | Amount (Yen in millions) | Current to previous year ratio (%) |
|--------------------------------|--------------------------|------------------------------------|
| SPMS                           | 355,529                  | 122.1                              |
| AMEC                           | 305,307                  | 102.7                              |
| MOEN                           | 596,657                  | 117.7                              |
| ACIM                           | 437,857                  | 101.8                              |
| Nidec Machinery and Automation | 177,816                  | 96.7                               |
| Group Company Business         | 673,187                  | 95.9                               |
| Total                          | 2,546,353                | 105.6                              |

(Notes) 1. Amounts are recorded at sales price, including intersegment transfers.

2) Orders received

Consolidated orders received by reporting segment for the year ended March 31, 2026 were as follows:

| Reporting segment              | Amount<br>(Yen in millions) | Current to previous<br>year ratio (%) | Balance<br>(Yen in millions) | Current to previous<br>year ratio (%) |
|--------------------------------|-----------------------------|---------------------------------------|------------------------------|---------------------------------------|
| SPMS                           | 404,451                     | 102.8                                 | 29,671                       | 109.4                                 |
| AMEC                           | 365,632                     | 105.6                                 | 16,792                       | 126.8                                 |
| MOEN                           | 800,419                     | 125.3                                 | 534,485                      | 132.6                                 |
| ACIM                           | 435,963                     | 94.9                                  | 61,726                       | 98.5                                  |
| Nidec Machinery and Automation | 203,001                     | 97.2                                  | 113,107                      | 102.5                                 |
| Group Company Business         | 435,731                     | 96.5                                  | 84,170                       | 108.3                                 |
| Total                          | 2,645,197                   | 105.9                                 | 839,951                      | 121.0                                 |

(Notes) 1. Intersegment transactions are eliminated.

3) Revenues

Consolidated revenues by reporting segment for the year ended March 31, 2026 were as follows:

| Reporting segment              | Amount (Yen in millions) | Current to previous year ratio (%) |
|--------------------------------|--------------------------|------------------------------------|
| SPMS                           | 403,997                  | 103.2                              |
| AMEC                           | 363,330                  | 103.8                              |
| MOEN                           | 702,824                  | 122.5                              |
| ACIM                           | 441,190                  | 95.4                               |
| Nidec Machinery and Automation | 203,776                  | 97.3                               |
| Group Company Business         | 593,588                  | 95.8                               |
| Total                          | 2,708,705                | 103.9                              |

(Notes) 1. Intersegment transactions are eliminated.

## 5. Material Agreements, etc.

### (1) Cross license agreement

| Party                              | Counterparty          | Country | Item under contract                                                        | Contract description                           | Contract period                                                                                            |
|------------------------------------|-----------------------|---------|----------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Nidec Corporation<br>(The Company) | NTN Corporation       | Japan   | Motors with Fluid dynamic bearing (B, G type)<br>(Mainly for 3.5-inch HDD) | Cross license agreement of patents, etc.<br>*1 | From July 24, 2009 to May 7, 2030. (Renew or extend the contract if the Company and NTN Corporation agree) |
| Nidec Corporation<br>(The Company) | Panasonic Corporation | Japan   | Fluid dynamic bearing and spindle motors for HDD                           | Cross license agreement of patents, etc.<br>*2 | From April 1, 2013 to the expiration of the patent under contract                                          |

(Notes) \*1. This is an agreement under which the Company pays consideration to NTN Corporation twice a year continuously.

\*2. This is an agreement under which the Company pays consideration to Panasonic Corporation at once.

### (2) Share purchase and transfer Agreement

(Changzhou Xecom Energy Technologies Co., Ltd.).

The Company has acquired full ownership of Changzhou Xecom Energy Technologies Co., Ltd., a privately owned Chinese company ("Xecom"), through the Company's subsidiary, Nidec Appliance Controls (Qingdao) Co., Ltd, on July 8, 2025.

From the effective day, Xecom is renamed Nidec Scroll Technology (Changzhou) Co., Ltd .

#### 1. Purpose

NIDEC has been actively developing a new growth platform with particular focus on appliance, commercial and industrial motors businesses. As part of this strategy, the Company has been pursuing strategic acquisitions in the field of appliance motors: in January 2010 NIDEC acquired Sole Motors and in July 2019, NIDEC acquired Embraco aiming to further expand its refrigeration compressor business. Now, with acquisition of this scroll compressor technology, the Company will be able to expand and consolidate its presence in the refrigeration segment and make it able to join new fields in the air conditioning and heat pump markets and continue to contribute to the sales and profits of the entire Nidec group.

#### 2. Information on Changzhou Xecom Energy Technologies Co., Ltd.

|              |                                                                                                                |
|--------------|----------------------------------------------------------------------------------------------------------------|
| Company Name | Nidec Scroll Technology (Changzhou) Co., Ltd.<br>(Former Changzhou Xecom Energy Technologies Co., Ltd.)        |
| Headquarters | Changzhou City, Jiangsu Province, China                                                                        |
| Foundation   | 2021                                                                                                           |
| Business     | Design and production of high performance Scroll Compressors for Air Conditioning, Heat Pump and Refrigeration |

### (3) Commitment Line Agreement

The Company has entered into a commitment line agreement with its main creditor banks, MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation on November 4, 2025.

#### 1. Purpose of Commitment Line Agreement.

To secure flexible and stable funding capacity and strengthen our solid financial foundation .

#### 2. Overview of Commitment Line Agreement

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                  |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Contracting party        | MUFG Bank, Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Sumitomo Mitsui Banking Corporation              |
| Borrowing limit          | 300 billion yen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 300 billion yen                                  |
| Contract execution date  | November 4, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | November 4, 2025                                 |
| Form of contract         | Bilateral                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Bilateral                                        |
| Contract period          | November 7, 2025 to<br>November 6, 2026 (1 year)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | November 7, 2025 to<br>November 6, 2026 (1 year) |
| Collateral and guarantee | Unsecured and unguaranteed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Unsecured and unguaranteed                       |
| Main financial covenants | The main financial covenants are as follows:<br>(1) To maintain the total equity recorded in the consolidated financial statements as of the end of the fiscal year ending March 31, 2026, at 75% or more of the total equity recorded in the consolidated financial statements as of the end of the fiscal year ended March 31, 2025.<br>(2) However, in the event that the total equity recorded in the consolidated financial statements as of the end of the fiscal year ended March 31, 2025, are restated as a result of the investigation by the Third-Party Committee decided to be established on September 3, 2025, the minimum threshold shall be maintained at 75% or more of the restated total equity. |                                                  |
| Others                   | A report on the remedial measures and internal control enhancement measures based on the investigation results of the Third-Party Committee must be submitted to the lenders, the content of which must be satisfactory to them.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                  |

(Notes) As of March 31, 2026, the Company was in breach of the financial covenants set forth in (ii) above under these commitment line agreements. However, no amounts had been drawn under these commitment lines. As of the filing date of this Annual Securities Report, the Company has obtained waivers from MUFG Bank, Ltd. and Sumitomo Mitsui Banking Corporation, respectively, of their rights to demand immediate repayment arising from such breaches of the financial covenants and other relevant provisions.

## 6. Research and Development

The NIDEC Group is leading the strategic technical shift from being a supplier of standalone components to providing integrated hardware/software systems and solutions, aiming to enhance product value. By establishing a "Common Technology Platform" that transcends individual division boundaries and converting product and production technologies into shared assets, we strive to maximize development efficiency. Furthermore, as a robust foundation to support these growth strategies, we are strengthening investment discipline by selectively concentrating management resources on intangible assets that deliver a high return on invested capital (ROIC).

Building on these initiatives, we are strategically allocating research and development resources to "Five Areas of Focus (Five Business Pillars)" to solve upcoming full-scale societal transformation challenges (such as decarbonization, the AI society, and labor shortages) through technology:

### (1) Electrification & Energy Infrastructures

We are pursuing research and development to deepen energy conversion technologies that promote the adoption of renewable energy (including smart grids, grid-scale BESS, generators, and control inverters), thereby building foundational technologies to support sustainable growth.

### (2) Digital Society Solution

We are strategically concentrating resources on technological development in high-growth areas. These include AI server liquid cooling systems and cooling fans that address thermal management—an urgent issue for data centers—as well as semiconductor front-end and back-end (packaging) equipment and inspection tools.

### (3) Advanced Manufacturing Solutions

While seeking higher efficiency and value addition in existing core businesses such as machine tools and press machines, we are promoting development to cultivate automation technologies—including humanoid robots, precision reduction gears, actuators, and 3D measuring instruments—as next-generation growth drivers.

### (4) Better Life

In fields such as commercial HVAC systems, elevators, and home appliances, we are pushing for higher motor efficiency and integrating thermal management technologies, working to maintain and enhance the core technologies that support our earnings base.

### (5) Mobility Innovation

While advancing design standardization and development cost reductions for general-purpose automotive components, we are intensifying our focus on advanced technology development for high-reliability, high-value-added markets requiring strict safety and regulatory standards (such as AS9100 and IATF 16949) in next-generation mobility applications like eVTOLs and drones.

Our expenditures for research and development activities for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥129,887 million.

To technically support business creation across these priority areas, in addition to the development departments within each business headquarters, we maintain company-wide R&D departments that oversee mid- to long-term corporate technology development and engage in joint research and contract development with individual business units and group companies.

The "Product Technology Laboratory" deepens three core competencies essential for future business creation—"rotating and moving bodies," "thermal management," and "energy conversion"—and works to maintain and enhance technical advantages in elemental technologies such as electronic circuits, heat, noise/vibration, and control. Meanwhile, the "Production Technology Laboratory" utilizes AI, robotics, automation technology, precision mold technology, data analysis, simulation, and other tools to drive innovations in production technology beyond existing frameworks.

Both laboratories are strengthening their functionality as core bases for implementing the "Common Technology Platform" that transcends divisions and BUs (Business Units). By eliminating technical redundancies, consolidating dispersed resources, and promoting group-wide asset sharing, they aim to support diversification into new growth fields and technically lead the maximization of corporate value.

Furthermore, to ensure prompt and reliable product and system development across the Group, we are establishing an "R&D Governance" framework led by the CTO, transitioning toward a data-driven, objective management system. By visualizing the extensive technical assets accumulated since our founding as structured data and matching them with the technological needs of our Five Business Pillars, we are objectively evaluating and verifying our technical strengths and gaps. This process eliminates R&D redundancies across divisions, prevents resource fragmentation, and prioritizes R&D expenditure in areas essential for growth, thereby maximizing investment efficiency.

The expenditures for research and development activities categorized as "Corporate" for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥5,814 million.

A status report of the research and development activities and the associated research and development expenses by business segment are as follows:

#### (1) SPMS

In the SPMS segment, toward realizing a "circular economy," we promote environmentally conscious business activities including carbon neutrality and CO2 emission reductions, while contributing to a sustainable society through our proprietary high-efficiency technologies and products.

Our main research and development targets are as follows:

- Basic and applied research in Small precision motors:

We promote basic and applied research covering a wide range of Small precision motors—including precision small DC motors such as spindle motors for HDDs, as well as fan motors—and provide technical support to each production and development site.

- Accelerated development in thermal solutions (liquid cooling technology):

To address the societal challenge of increasing power consumption in data centers, we advance the development of CDUs (Coolant Distribution Units), QDs (Quick Disconnects), and LCMs (Liquid Cooling Modules) as high-efficiency cooling solutions for high-performance computing servers (CPUs, GPUs, memory, etc.), including AI servers. In terms of reliability, we establish technological superiority in the market by achieving cumulative shipments of over 10,000 units of In-Rack CDUs (as of March 31, 2026).

Additionally, we commence operation of In-Row CDUs at MC Digital Realty's "DRIL (Digital Realty Innovation Lab)" data center and complete the development of In-Row CDUs compliant with the "Deschutes Project" specified under the OCP (Open Compute Project) standard advocated by Google, exhibiting them at the international conference "Super Computing 2025 (SC25)." Moving forward, we will continue expanding our lineup of highly efficient and reliable In-Rack and In-Row CDUs to contribute to energy conservation.

- Sophistication of existing core technologies and expansion into new domains:

We continue technology development for cooling fan motors used in air-cooled servers to achieve higher efficiency, higher airflow, higher static pressure, and lower noise. For the data storage domain—where demand is expected to expand with the spread of AI servers—we pursue research and development of next-generation HDD motors and initiate applied research in physical AI as a next-generation growth domain.

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥35,487 million.

## (2) AMEC

In the AMEC segment, we promote research and development activities aimed at developing new products, mass-producing new models, and improving product quality for drive systems and various automotive actuators for electric vehicles (EVs) and hybrid electric vehicles (HEVs) that contribute to a decarbonized society.

Our main research and development targets are as follows:

- Development of drive systems and integrated power supply systems:

- Strengthening cost competitiveness and structural innovation: Aiming to improve price competitiveness in global markets including China, we promote the development of water-cooled units adopting new water-cooling structures and significantly reducing component counts.
- System integration (higher-level systems): We are advancing technical development to shift from conventional "3-in-1" systems that integrate motors, reducers, and inverters toward higher-value-added systems that integrate complete power supply components, including inverters, on-board chargers (OBCs), and power distribution units (PDUs).
- Addressing geopolitical risks and global deployment: We introduce advanced cooling technologies, adopt heavy rare earth-free magnets to mitigate supply chain risks, and promote product rollouts targeting global supply.
- Flexible response to market needs: To respond to changes in EV market trends, we expand development of products for HEVs applying power electronics technologies, diversifying risks against market fluctuations.

- Development of chassis and advanced safety systems:

- Addressing by-wire technologies: With advances in Advanced Driver Assistance Systems (ADAS), we are developing handwheel actuators and other solutions for by-wire systems, such as Electric Power Steering (EPS) and Electro-Mechanical Brakes (EMB).
- Developing high-performance actuators: To respond to the expanding adoption of advanced features, particularly among Chinese OEMs, we are focusing on developing actuator motors for active suspension systems.

- Development of powertrains and high-efficiency motors:

- High-voltage adaptation and cost optimization: We are advancing the development of electric traction motors compatible with 800V high-voltage systems while optimizing next-generation designs through Value Analysis and Value Engineering (VA/VE) methodologies.
- Next-generation general-purpose motors: We develop next-generation brushed DC (BDC) motors using ferrite and neodymium materials, while globally promoting common design and power-pack integration for general-purpose brushless DC (BLDC) motors.

- Development of fluid systems and integrated thermal management systems:

- Enhancing profitability of existing lineups: Through thorough VAVE activities across the supply chain, we maintain and enhance cost competitiveness in mass production projects for mechanical oil/coolant pumps and conventional electric pumps.
- Promoting commercialization of next-generation electric pumps: We accelerate development of next-generation electric oil/coolant pump platforms, elevating maturity to the prototype (B-sample) stage.
- Expansion into integrated thermal management systems: We initiate development of electric refrigerant compressors using R290 natural refrigerant—contributing to extended EV driving range and lower environmental impact—and integrated thermal management systems for entire vehicles.

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥29,076 million.

### (3) MOEN

In the MOEN segment, driven by major market trends such as the transition to a decarbonized society, advancements in AI, and the push for labor and energy savings, we conduct research and development activities aligned with current market and societal needs. These include battery energy storage systems (BESS) supporting the adoption of renewable energy, backup power generators essential for data centers facing surging demand, and drive modules for automated transport robots that directly contribute to labor savings. Furthermore, looking toward future societal development, we are focusing on research and development of motors and control units for electric vertical takeoff and landing (eVTOL) aircraft to expand the possibilities of next-generation mobility.

Our main research and development targets are as follows:

- Power conversion solutions:
  - Battery Energy Storage Systems (BESS)
  - Power quality stabilization systems
- Industrial and data center electrical generators:
  - Industrial / commercial / residential / construction electrical generators
  - Communication base station electrical generators
- Industrial automation:
  - Automatic transport robot drive mechanism modules
  - Joint modules for robot arms
- Electric equipment for construction machinery and commercial vehicles:
  - Motors, gears, and control units for Utility Task Vehicles (UTVs) and golf carts
  - Large traction motors
  - Motors, gears, and control units for material handling equipment and aerial work platforms
- Drive units:
  - Small universal drives
  - Drives for various industries such as pumps and air conditioning
  - High-power drives for infrastructure
- Elevators:
  - Slim traction machines for MRL (Machine Roomless Elevators) and gearless traction machines for freight elevators
  - Control units and peripheral equipment
  - Package solutions for traction machines and control units
- Electric vehicle components:
  - EV traction motors
- Products developed for new markets:
  - Motors and control units for electric vertical takeoff and landing (eVTOL) aircraft

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥20,027 million.

#### (4) ACIM

In the ACIM segment, we conduct research and development activities aligned with market and societal needs for decarbonization, energy conservation, electrification, comfort, reliability, and lower total cost of ownership. We develop high-efficiency motors, pumps, refrigerators, refrigeration compressors, condensing units, EC fans, electronic controls, electronic drives, inverters, and integrated motor-drive systems for home appliances, professional appliances, commercial refrigeration, HVAC, and residential, commercial, and industrial applications.

Our main research and development targets are as follows:

- Home and professional appliance applications:
  - Motors, pumps, and integrated motor-control solutions for washing machines, dryers, dishwashers, refrigerators, freezers, food service, professional appliances, and medical applications, with a focus on energy efficiency, low noise, compactness, thermal performance, and reliability.
- Refrigeration, HVAC, and climate technology applications:
  - Compressors, condensing units, monoblocks, EC fans, controllers, and electronics for residential and commercial refrigeration, heat pumps, air conditioning, and ventilation, including variable-speed, modular, and natural-refrigerant solutions.
- Industrial and infrastructure applications:
  - IE3, IE4, and IE5 motors, high-efficiency induction and synchronous motors, large inverters, embedded variable-speed drives, brake motors, gearmotors, and power-electronics solutions for pumps, compressors, fans, cranes, elevators, wind, oil and gas, marine, railway, aerospace, and general industrial applications.
- New technology and electrification initiatives:
  - E-motors, inverters, and related drive technologies for transport refrigeration, commercial vehicles, and electric propulsion systems, including mid-sized passenger aircraft.

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥13,017 million.

#### (5) Nidec Machinery and Automation Business

In this segment, we develop reducer-related products, which are essential components of robots and automated equipment to alleviate labor shortages, in Japan, China, and Germany. We also develop a wide range of press-related products, from small high-speed precision presses to extra-large servo presses, as well as peripheral equipment such as high-speed feeders, in Japan, the United States, Spain, and Germany. We develop machine tools for automobiles and auto parts, molds, construction machinery, and electrical and precision machinery in Japan.

Our main research and development targets are as follows:

For reducer-related products, leveraging our proprietary gear design and machining technologies, we focus on R&D to enhance the performance and functionality of industrial reducers and peripheral machinery. Targeting markets in Japan, Asia, Europe, and the Americas, we develop a wide range of products—from general industrial applications to precision control reducers for robots, where demand is rising due to aging populations and labor shortages.

- Precision control products (strain wave gearing, internal planetary gearing, etc.): We promote expansion of the "Smart FLEXWAVE" featuring built-in multi-sensors suited for joint drives in collaborative robots, as well as the "KINEX" series of mid-sized reducers for growth fields such as industrial robots, machine tools, and semiconductor manufacturing equipment. We exhibit a prototype featuring noise reduction—historically considered difficult for this reducer structure—at iREX in December 2025, attracting significant attention.

- General industrial products (high-precision planetary reducers, etc.): We are focusing on developing the high-efficiency "VR Series" and "ABLE Reducers," which feature a wide range of variations. We are expanding our product lineup and driving sales growth across applications such as conveying equipment, packaging machinery, AGV (Automated Guided Vehicle) drives, and semiconductor manufacturing equipment.

For press machine-related products, we are conducting research on preventive and predictive maintenance systems aiming at efficient press line operation and maintenance cost reduction. In July 2025, we participate in the Metal Forming Fair Tokyo ("MF-TOKYO 2025"), where we unveil for the first time our new product "SX-8-360," which achieves the world's fastest speed of 3,000 spm as a link press.

In the machine tool business, we promote development by applying key technologies—such as automation, high precision, integration, and large-size/fineness capabilities—to respective products, targeting overseas markets primarily in China and India. We also participate in exhibitions across Japan, China, Europe, and the United States.

- Gear machines: To address increasing demand for high-precision reducers in EVs and robotics, we promote automated system development integrating machine bodies, processing technology, software, and peripheral applications like workpiece handling and measurement. In June 2025, we launch sales of the "Integrated Cutting and Chamfering Hobbing Machine GE25CF." Furthermore, for internal gear grinding machines where we hold high market share through patented technologies, we accelerate technology development for higher precision and efficiency targeting next-generation EV transmissions.

- Large machines: Addressing the trend toward larger, higher-precision workpieces in the expanding EV and energy markets, we are developing attachments for double-column 5-face machining centers to efficiently process large engines for data center generators, where global demand is rapidly increasing. Additionally, we are focusing on R&D for digital twin technology and control software to enhance productivity in automotive mold manufacturing.

- Laser processing machines: We advance technology development following our early market entry in Japan for ultra-fine laser processing machines and metal 3D printers. For ultra-fine laser processing machines, we address demands for higher precision and speed in fine micro-hole drilling across semiconductor manufacturing processes and precision molds.

For metal 3D printers, we conduct R&D toward practical application and functional improvements, catering to customer needs in industrial machinery and aerospace where adoption cases are emerging in Japan.

- Machining centers: We emphasize automation and labor-saving alongside high-value-added 5-axis and multi-tasking machines. We expand models of the 3D pallet system attached to the vertical 5-axis machining center VB-X650 exhibited at JIMTOF 2024 and launch sales of the "Multi-Tasking Gear Center MGC300" equipped with gear processing capabilities.

- Lathes: We develop the mid-class tool-spindle multi-tasking machine "TEX-2500S," combining the processing speed of turret lathes with the versatility of multi-tasking machines, exhibiting and launching sales at EMO 2025 in September 2025.

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥2,601 million.

## (6) Group Companies

The Group Companies segment develops products across a wide range of fields.

As "karakuri-tronics" products integrating motor and servo technologies, we develop stepping motors, smartphone and game-related products, motor drive unit product groups, and system equipment-related products. Guided by the basic policy of "Developing attractive products and building a future R&D framework," we concentrate management investments in growth fields and strengthen R&D foundations toward achieving "doubled productivity and zero defects" in the future.

In the automotive field, alongside advancing electrification and electronification, demand is rising for functions tailored to vehicle price points, as well as cybersecurity features for internet-connected vehicles. To enhance performance and reduce costs, we focus on developing zone ECUs that integrate specific functions, actuator ECUs, and DC-DC converters for HEVs. Furthermore, we flexibly respond to automaker needs by establishing overseas R&D structures and introducing requirements management tools.

In the electronic equipment market, capital investment in the AI server product segment is expanding, and we are developing new inspection equipment.

For air conditioning and home appliance motors, we refine magnetic and control circuits and substitute aluminum for copper in windings to achieve energy/material savings and performance enhancement. As air conditioners spread across emerging markets, we enhance product robustness by revising motor structures and protection circuits for diverse operating environments, applying these techniques to mid-to-large fan motors for commercial ACs to serve global energy-saving demands.

For industrial motors, we advance product development combining efficiency and customizability, developing specialized motors featuring explosion-proof designs and integrated brake functions.

Our main research and development targets are as follows:

- Automobile body control:
  - Body control modules
  - Door peripheral control units including power window switches
  - Smart entry systems for motorcycles
- Power electronics business:
  - Electric power steering ECUs
  - DC/DC converters for electric vehicles
  - On-board chargers
- Other automotive equipment:
  - Electric oil pumps / electric water pumps
  - Electric actuators
  - Raindrop removal modules for sensing ultra-wide-angle lenses
- Smartphones and games:
  - Optical image stabilization for smartphones
  - 3-axis and multi-degree-of-freedom vibration suppression actuators
  - Haptic devices (2-axis and 3-axis actuators)
- Motor drive units:
  - Automotive thermal management
  - Integrated modules and systems combining small motors, actuators, sensors, and control software
- Sensing equipment:
  - Pressure sensors (semiconductor equipment, data center cooling equipment)
  - Polygon mirrors for LiDAR
  - Torque sensors / 6-axis force sensors (collaborative robots)
  - High-resolution magnetic rotary encoders
- System equipment:
  - Security-enhancing equipment for card media peripherals
  - Electronic payment terminals (retail/logistics, railway/transit)
  - FPD transport robots for LCD and OLED displays (atmospheric / vacuum)
  - Test benches for traction motors
- Semiconductor-related equipment:
  - Optical automatic inspection equipment for semiconductor wafers and substrates
  - Electrical inspection equipment for semiconductor packages
  - Substrate inspection equipment for AI servers
  - Semiconductor transport robot vibration suppression control, featuring in-house DD motors (vacuum)
  - Semiconductor Load Port Modules (LPM)
- Air conditioning and home appliance motors:
  - Fan motors for residential and commercial air conditioners

- Industrial motors:

- Pumps (general-purpose pumps, hydraulic pumps, medical pumps, etc.)
- Fans and blowers (blowers, centrifugal fans, cooling towers, etc.)
- Loading and transport equipment (cranes, hoists, winches, roller conveyors, etc.)
- Explosion-proof environment equipment (crushers, mixers, weighing scales, etc.)

Expenditures for research and development activities in this segment for the fiscal year ended March 31, 2026 (including expenditures for development costs recorded as intangible assets) were ¥23,865 million.

### **III. Property, Plant and Equipment**

#### ***1. Summary of Capital Investment, etc.***

The total capital investment in property, plant and equipment for the year ended March 31, 2026 was ¥130,482 million. This mainly consists of capital investment to increase production capacity of overseas subsidiaries.

The amounts of capital investment by segment are as follows:

*(Yen in millions)*

|                                | For the year ended March 31, 2026 |
|--------------------------------|-----------------------------------|
| SPMS                           | 13,776                            |
| AMEC                           | 13,592                            |
| MOEN                           | 31,312                            |
| ACIM                           | 28,074                            |
| Nidec Machinery and Automation | 14,828                            |
| Group Company Business         | 26,871                            |
| Corporate                      | 2,029                             |
| Total                          | 130,482                           |

## 2. Major Property, Plant and Equipment

Major property, plant and equipment of NIDEC are as follows:

### (1) The Company

(As of March 31, 2026)

| Name of business place (location)                                                 | Name of segment | Details of major facilities and equipment                                    | Carrying amount (Yen in millions) |                                   |                                             |        |        | Number of employees |
|-----------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|---------------------------------------------|--------|--------|---------------------|
|                                                                                   |                 |                                                                              | Buildings and structures          | Machinery, equipment and vehicles | Land (Area in thousands of m <sup>2</sup> ) | Others | Total  |                     |
| Headquarters (Minami-ku, Kyoto)                                                   | Corporate       | Head office facilities                                                       | 2,954                             | 16                                | 3,932 (20)                                  | 55     | 6,957  | 607 (16)            |
| Nidec PARK Building C and Central Technical Laboratory (Muko-city, Kyoto)         | SPMS            | Head office facilities and development facilities for small precision motors | 16,456                            | 142                               | 5,907 (61)                                  | 671    | 23,176 | 606 (16)            |
| Nidec Center for Industrial Science and Technology (Seika-cho, Soraku-gun, Kyoto) | Corporate       | Fundamental and applied research facilities                                  | 5,094                             | 300                               | 1,068 (27)                                  | 133    | 6,595  | 192 (2)             |
| Nidec Research and Development Center (Saiwai-ku, Kawasaki-city, Kanagawa)        | Corporate       | Fundamental and applied research facilities                                  | 2,468                             | 22                                | 1,276 (6)                                   | 97     | 3,863  | 200 (-)             |
| Tokyo Office (Shinagawa-ku, Tokyo)                                                | Corporate       | Sales facilities for products                                                | 1,044                             | 1                                 | 2,026 (2)                                   | 64     | 3,135  | 42 (-)              |
| Nidec Corporation Head Office ANNEX Global Learning Center (Minami-ku, Kyoto)     | Corporate       | Employee training facilities                                                 | 2,436                             | 0                                 | 410 (4)                                     | 72     | 2,918  | 7 (-)               |

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

## (2) Domestic subsidiaries

(As of March 31, 2026)

| Name of company<br>(location)                                                  | Name of<br>segment                      | Details of major<br>facilities and<br>equipment                                                                               | Carrying amount (Yen in millions) |                                            |                                                      |        |        | Number<br>of<br>employees |
|--------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------------------|--------|--------|---------------------------|
|                                                                                |                                         |                                                                                                                               | Buildings<br>and<br>structures    | Machinery,<br>equipment<br>and<br>vehicles | Land<br>(Area in<br>thousands<br>of m <sup>2</sup> ) | Others | Total  |                           |
| Nidec Advance<br>Technology<br>Corporation<br>(Muko-city,<br>Kyoto)            | Group<br>Company<br>Business            | Manufacturing<br>facilities for<br>machinery                                                                                  | 2,447                             | 7,387                                      | 406<br>(15)<br>[10]                                  | 4,101  | 14,341 | 266<br>(39)               |
| Nidec Drive<br>Technology<br>Corporation<br>(Muko-city,<br>Kyoto)              | Nidec<br>Machinery<br>and<br>Automation | Manufacturing<br>facilities for<br>machinery                                                                                  | 5,357                             | 245                                        | 779<br>(129)<br>[21]                                 | 4,611  | 10,992 | 496<br>(66)               |
| Nidec<br>Components<br>Corporation<br>(Shinjuku-ku,<br>Tokyo)                  | Group<br>Company<br>Business            | Manufacturing<br>electronic part                                                                                              | 3,319                             | 3,358                                      | 1,659<br>(157)<br>[3]                                | 1,434  | 9,770  | 475<br>(65)               |
| Nidec Instruments<br>Corporation<br>(Shimosuwa-cho,<br>Suwa-gun,<br>Nagano)    | Group<br>Company<br>Business            | Manufacturing<br>facilities for<br>small precision<br>motors,<br>automotive<br>products,<br>machinery and<br>electronic parts | 1,922                             | 201                                        | 5,225<br>(493)<br>[-]                                | 729    | 8,077  | 962<br>(174)              |
| Nidec Global<br>Service<br>Corporation<br>(Kyoto-city,<br>Minami-ku,<br>Kyoto) | Group<br>Company<br>Business            | Buildings and<br>building<br>facilities                                                                                       | 3,928                             | 0                                          | 2,924<br>(17)<br>[22]                                | 35     | 6,887  | 62<br>(4)                 |

(Notes) 1. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

2. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

3. The figures of "Land" in square bracket are excluded from the area of land and indicate area of leased land (in thousands of m<sup>2</sup>).

4. The information stated for Nidec Advance Technology Corporation and Nidec Components Corporation is inclusive of their subsidiaries.

## (3) Overseas subsidiaries

(As of March 31, 2026)

| Name of company<br>(location)                                                      | Name of<br>segment                      | Details of major<br>facilities and<br>equipment                                                                                  | Carrying amount (Yen in millions) |                                            |                                                      |        |         | Number<br>of<br>employees |
|------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|------------------------------------------------------|--------|---------|---------------------------|
|                                                                                    |                                         |                                                                                                                                  | Buildings<br>and<br>structures    | Machinery,<br>equipment<br>and<br>vehicles | Land<br>(Area in<br>thousands<br>of m <sup>2</sup> ) | Others | Total   |                           |
| Nidec Americas<br>Holding<br>Corporation<br>(Missouri, U.S.A.)                     | ACIM                                    | Manufacturing<br>facilities for<br>automotive<br>products, machi<br>nery, appliance,<br>commercial<br>and industrial<br>products | 32,110                            | 42,868                                     | 9,536<br>(3,320)<br>[58]                             | 16,756 | 101,270 | 14,164<br>(337)           |
| Nidec Global<br>Appliance Brasil<br>Ltda.<br>(Santa Catarina,<br>Brazil)           | ACIM                                    | Manufacturing<br>facilities for<br>appliance,<br>commercial<br>and industrial<br>products                                        | 10,210                            | 28,744                                     | 3,013<br>(717)<br>[-]                                | 10,143 | 52,110  | 4,114<br>(81)             |
| Taiwan Takisawa<br>Technology Co.,<br>Ltd.<br>(Taoyuan-city,<br>Taiwan)            | Nidec<br>Machinery<br>and<br>Automation | Manufacturing<br>facilities for<br>machinery                                                                                     | 1,829                             | 671                                        | 11,924<br>-<br>[-]                                   | 69     | 14,493  | 277<br>(-)                |
| Nidec Chaun-<br>choung Technology<br>Corporation<br>(New Taipei,<br>Taiwan)        | SPMS                                    | Small precision<br>motor<br>manufacturing<br>facilities                                                                          | 4,758                             | 3,747                                      | 3,196<br>(-)<br>[-]                                  | 533    | 12,234  | 346<br>(11)               |
| Nidec Seimitsu<br>Motor (dongguan)<br>Co., Ltd.<br>(Dongguan,<br>Guangdong, China) | SPMS                                    | Small precision<br>motor<br>manufacturing<br>facilities                                                                          | 3,284                             | 574                                        | -<br>(-)<br>[-]                                      | 7,887  | 11,745  | 1,390<br>(451)            |

(Notes) 1. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

2. The figures of "Number of employees" in round bracket are those of the annual average number of temporary employees, which are excluded from the number of employees.

3. The figures of "Land" in square bracket are excluded from the area of land and indicate area of leased land (in thousands of m<sup>2</sup>).

4. The information stated for Nidec Americas Holding Corporation, Nidec Global Appliance Brasil Ltda., Taiwan Takisawa Technology Co., Ltd. and Nidec Chaun-choung Technology Corporation is inclusive of their subsidiaries.

### 3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.

NIDEC determines capital investments considering the economic forecast, the trends of the industry, and investment efficiency, etc. in total. In principle, each of the consolidated companies prepares individual facilities plans.

Plans for new construction and disposition of major facilities as of March 31, 2026 were as follows:

#### (1) New construction of major facilities, etc.

| Name of company or business place | Location    | Name of segment | Description                                             | Total planned investment (Yen in millions) | Amount already paid (Yen in millions) | Funding measures     | Launch    | Completion |
|-----------------------------------|-------------|-----------------|---------------------------------------------------------|--------------------------------------------|---------------------------------------|----------------------|-----------|------------|
| Nidec Corporation                 | Muko, Kyoto | Corporate       | 2nd head office and group companies' consolidation base | 200,000                                    | 27,072                                | Own funds, borrowing | year 2020 | year 2030  |

#### (2) Disposition of major facilities, etc.

Not applicable.

#### **IV. Information on the Company**

##### ***1. Information on the Company's Shares, etc.***

(1) Total number of shares, etc.

1) Total number of shares

| Class          | Total number of shares authorized to be issued<br>(Shares) |
|----------------|------------------------------------------------------------|
| Ordinary share | 1,920,000,000                                              |
| Total          | 1,920,000,000                                              |

2) Issued shares

| Class             | Number of shares issued<br>as of the end of fiscal year<br>(Shares)<br>(March 31, 2026) | Number of shares issued as<br>of the filing date (Shares)<br>(September 30, 2026) | Stock exchange on which<br>the Company is listed or<br>authorized financial<br>instruments firms association<br>where the Company is<br>registered | Description                                                                                                                                                          |
|-------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ordinary<br>share | 1,192,568,936                                                                           | 1,192,568,936                                                                     | Tokyo Stock Exchange, Inc<br>Prime Market                                                                                                          | This is our standard share.<br>There is no restriction on<br>contents of the right of<br>the share. The number of<br>shares per one unit of shares<br>is 100 shares. |
| Total             | 1,192,568,936                                                                           | 1,192,568,936                                                                     | -                                                                                                                                                  | -                                                                                                                                                                    |

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Description of rights plans

Not applicable.

3) Other information about share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

| Date                      | Change in the<br>total number of<br>issued shares<br>(Shares) | Balance of the<br>total number of<br>issued shares<br>(Shares) | Change in<br>common stock<br>(Yen in millions) | Balance of<br>common stock<br>(Yen in millions) | Change in capital<br>reserve<br>(Yen in millions) | Balance of capital<br>reserve<br>(Yen in millions) |
|---------------------------|---------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| October 1, 2024<br>(Note) | 596,284,468                                                   | 1,192,568,936                                                  | -                                              | 87,784                                          | -                                                 | 92,005                                             |

(Note) Change due to share split (1:2).

## (5) Shareholders composition

(As of March 31, 2026)

(As of March 31, 2020)

|                                   | Status of shares (one unit of shares: 100 shares) |                       |                                         |                   |                            |             |                        |            | Number of shares less than one unit (Shares) |
|-----------------------------------|---------------------------------------------------|-----------------------|-----------------------------------------|-------------------|----------------------------|-------------|------------------------|------------|----------------------------------------------|
| Category                          | Government and municipality                       | Financial institution | Financial instruments business operator | Other institution | Foreign corporations, etc. |             | Individuals and others | Total      |                                              |
|                                   |                                                   |                       |                                         |                   | Non-individuals            | Individuals |                        |            |                                              |
| Number of shareholders            | 1                                                 | 51                    | 51                                      | 2,103             | 849                        | 1,004       | 151,993                | 156,052    | -                                            |
| Share ownership (Unit)            | 4                                                 | 1,990,968             | 190,571                                 | 767,136           | 6,066,210                  | 10,820      | 2,890,751              | 11,916,460 | 922,936                                      |
| Ownership percentage of share (%) | 0.00                                              | 16.71                 | 1.60                                    | 6.44              | 50.91                      | 0.09        | 24.26                  | 100.00     | -                                            |

(Notes) 1. Of 44,590,187 treasury stock, 445,901 units are included in the "Individuals and others", while 87 shares are included in the "Number of shares less than one unit".

2. Of the shares registered in the name of Japan Securities Depository Center, Incorporated, 1,425 units are included in the "Other institution" column and 44 shares are included in the "Number of shares less than one unit" column.

## (6) Major shareholders

(As of March 31, 2026)

| Name                                                                                          | Address                                                                                                                                                                | Number of shares held (thousands of shares) | Ownership percentage to the total number of issued shares (Excluding treasury stock) (%) |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------|
| Shigenobu Nagamori                                                                            | Nishikyo-ku, Kyoto                                                                                                                                                     | 98,948                                      | 8.61                                                                                     |
| The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.)                        | 700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo)                                                         | 49,596                                      | 4.32                                                                                     |
| STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)                | ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)                                                      | 45,191                                      | 3.93                                                                                     |
| S.N. Kosan, LLC.                                                                              | 518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto                                                                                                       | 40,491                                      | 3.52                                                                                     |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing proxy: The Bank of Mitsubishi UFJ, Ltd.) | PETERBOROUGH COURT 133 FLEET STREET LONDON EC4A 2BB UNITED KINGDOM (4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo)                                                        | 30,592                                      | 2.66                                                                                     |
| The Bank of Mitsubishi UFJ, Ltd.                                                              | 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo                                                                                                                             | 29,703                                      | 2.58                                                                                     |
| MSIP CLIENT SECURITIES (Standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)   | 25 CABOT SQUARE, CANARY WHARF, LONDON E14 4QA, U.K. (Otemachi Financial City South Tower, 9-7, Otemachi 1-chome, Chiyoda-ku, Tokyo)                                    | 29,602                                      | 2.57                                                                                     |
| Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)          | In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo) | 26,318                                      | 2.29                                                                                     |
| GOLDMAN SACHS INTERNATIONAL (Standing proxy: GOLDMAN SACHS JAPAN Co., Ltd.)                   | PLUMTREE COURT, 25 SHOE LANE, LONDON EC4A 4AU, U.K. (Toranomom Hills Station Tower, 6-1, Toranomom 2-chome, Minato-ku, Tokyo)                                          | 22,428                                      | 1.95                                                                                     |
| GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A. Tokyo Branch)                            | BANKPLASSEN 2, 0107 OSLO 1 OSLO 0107 NO (27-30 Shinjuku 6-chome, Shinjuku-ku, Tokyo)                                                                                   | 20,076                                      | 1.74                                                                                     |
| Total                                                                                         | -                                                                                                                                                                      | 392,950                                     | 34.17                                                                                    |

(Notes) 1. Number of shares held has been rounded down to the nearest 1,000 shares.

2. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 17, 2025, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of November 10, 2025, as shown below. However, except for The Bank of Mitsubishi UFJ, Ltd. as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows.

| Name                                         | Address                                    | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|----------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| The Bank of Mitsubishi UFJ, Ltd.             | 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 29,703,608                                       | 2.49                                            |
| Mitsubishi UFJ Trust and Banking Corporation | 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 4,253,000                                        | 0.36                                            |
| Total                                        | -                                          | 33,956,608                                       | 2.85                                            |

3. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on July 22, 2025, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of July 15, 2025, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows.

| Name                                             | Address                                    | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|--------------------------------------------------|--------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Sumitomo Mitsui Trust Bank, Limited              | 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo | 14,023,200                                       | 1.18                                            |
| Sumitomo Mitsui Trust Asset Management Co., Ltd. | 1-1, Shibakouen 1-chome, Minato-ku, Tokyo  | 23,024,928                                       | 1.93                                            |
| Nikko Asset Management Co., Ltd.                 | 7-1, Akasaka 9-chome, Minato-ku, Tokyo     | 22,052,300                                       | 1.85                                            |
| Total                                            | -                                          | 59,100,428                                       | 4.96                                            |

4. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 22, 2022, has been received from Baillie Gifford & Co and states that each of these companies held shares as of November 15, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

| Name                             | Address                                                     | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|----------------------------------|-------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Baillie Gifford & Co             | Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland | 1,572,800                                        | 0.26                                            |
| Baillie Gifford Overseas Limited | Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland | 23,165,889                                       | 3.89                                            |
| Total                            | -                                                           | 24,738,689                                       | 4.15                                            |

5. The Statement of Correction was submitted on September 13, 2023, for the Statement of Changes to a Statement of Large-Volume Holdings that was made available for public inspection on April 7, 2020, from Capital Research and Management Company. It states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Correction to a Statement of Changes is as follows. NIDEC implemented a two-for one common stock split, effective April 1, 2020 and October 1, 2024. The below figures are based on the number of share before the splits.

| Name                                    | Address                                                               | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|-----------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Capital Research and Management Company | 333 South Hope Street, Los Angeles, CA 90071, U.S.A.                  | 9,585,706                                        | 3.22                                            |
| Capital International Inc.              | 11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A. | 742,855                                          | 0.25                                            |
| Capital International Co., Ltd.         | 1-1-14F, Marunouchi 2-chome, Chiyoda-ku, Tokyo                        | 1,226,900                                        | 0.41                                            |
| Total                                   | -                                                                     | 11,555,461                                       | 3.88                                            |

6. The Statement of Large-Volume Holdings, made available for public inspection on September 24, 2024, has been received from Nomura Securities Co., Ltd. and states that each of these companies held shares as of September 13, 2024, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

| Name                              | Address                                       | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|-----------------------------------|-----------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Nomura Securities Co., Ltd.       | 13-1, Nihombashi 1-chome, Chuo-ku, Tokyo      | 526,150                                          | 0.09                                            |
| NOMURA INTERNATIONAL PLC          | 1 Angel Lane, London EC4R 3AB, United Kingdom | 458,157                                          | 0.08                                            |
| Nomura Asset Management Co., Ltd. | 2-1, Toyosu 2-chome, Koto-ku, Tokyo           | 22,871,800                                       | 3.84                                            |
| Total                             | -                                             | 23,856,107                                       | 4.00                                            |

7. The Statement of Large-Volume Holdings, made available for public inspection on November 5, 2025 has been received from BlackRock Japan Co., Ltd. and states that each of these companies held shares as of October 31, 2025, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows.

| Name                                         | Address                                                     | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|----------------------------------------------|-------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| BlackRock Japan Co., Ltd.                    | 8-3, Marunouchi, 1-chome, Chiyoda-ku, Tokyo, Japan          | 4,134,600                                        | 0.35                                            |
| BlackRock (Netherlands) BV                   | Amstelplein 1, 1096 HA, Amsterdam, Netherlands              | 2,770,100                                        | 0.23                                            |
| BlackRock Fund Managers Limited              | 12, Throgmorton Avenue, London, United Kingdom              | 2,092,840                                        | 0.18                                            |
| BlackRock Asset Management Ireland Limited   | 1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland | 5,931,600                                        | 0.50                                            |
| BlackRock Fund Advisors                      | 400, Howard Street, San Francisco, CA, USA                  | 15,284,600                                       | 1.28                                            |
| BlackRock Institutional Trust Company, N.A.  | 400, Howard Street, San Francisco, CA, USA                  | 10,803,392                                       | 0.91                                            |
| BlackRock Investment Management (UK) Limited | 12, Throgmorton Avenue, London, United Kingdom              | 1,441,668                                        | 0.12                                            |
| Total                                        | -                                                           | 42,458,800                                       | 3.56                                            |

8. The Statement of Large-Volume Holdings, made available for public inspection on March 11, 2026 has been received from Oasis Management Company Ltd. and states that each of these companies held shares as of March 4, 2026, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2026 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows.

| Name                          | Address                                                                                                                                  | Number of share certificates, etc. held (Shares) | Ownership ratio of share certificates, etc. (%) |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| Oasis Management Company Ltd. | P.O. Box 309, Ugland House, South Church Street c/o Maples Corporate Services Limited George Town, Grand Cayman, KY1-1104 CAYMAN ISLANDS | 80,322,406                                       | 6.74                                            |
| Total                         | —                                                                                                                                        | 80,322,406                                       | 6.74                                            |

(7) Information on voting rights

1) Issued shares

(As of March 31, 2026)

| Classification                                              | Number of shares (Shares)    | Number of voting rights | Description |
|-------------------------------------------------------------|------------------------------|-------------------------|-------------|
| Shares without voting rights                                | -                            | -                       | -           |
| Shares with restricted voting rights (treasury stock, etc.) | -                            | -                       | -           |
| Shares with restricted voting rights (others)               | -                            | -                       | -           |
| Shares with full voting rights (treasury stock, etc.)       | Ordinary share 44,590,100    | -                       | -           |
| Shares with full voting rights (others)                     | Ordinary share 1,147,055,900 | 11,470,559              | -           |
| Shares less than one unit                                   | Ordinary share 922,936       | -                       | -           |
| Number of issued shares                                     | 1,192,568,936                | -                       | -           |
| Total number of voting rights                               | -                            | 11,470,559              | -           |

- (Notes) 1. The "Shares with full voting rights (others)" row includes 142,500 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 1,425 voting rights for those shares. The "Shares with full voting rights (others)" row includes 900 shares registered in the name of Nidec Drive Technology Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the "Number of voting rights" column includes 9 voting rights for those shares. Nidec Drive Technology Corporation does not substantially own the 900 shares (9 voting rights) registered in its name.
2. Ordinary shares in the "Shares less than one unit" row include 87 shares of the Company's treasury stock.
3. Ordinary shares in the "Shares with full voting rights (others)" row include 1,138,000 shares (11,380 voting rights) of the BIP Trust and 532,200 shares (5,322 voting rights) of the ESOP Trust.
4. The "Shares with full voting rights (treasury Stock, etc.)" column consists entirely of treasury stock owned by Nidec Corporation.

2) Treasury stock, etc.

(As of March 31, 2026)

| Name of shareholder | Address                                 | Number of shares held under own name (Shares) | Number of shares held under the name of others (Shares) | Total number of shares held (Shares) | Ownership percentage to the total number of issued shares (%) |
|---------------------|-----------------------------------------|-----------------------------------------------|---------------------------------------------------------|--------------------------------------|---------------------------------------------------------------|
| Nidec Corporation   | 338 Kuzetonoshiro-cho, Minami-ku, Kyoto | 44,590,100                                    | -                                                       | 44,590,100                           | 3.73                                                          |
| Total               | -                                       | 44,590,100                                    | -                                                       | 44,590,100                           | 3.73                                                          |

(Note) The Company's shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

(8) Officer/employee stock ownership plans

① Performance-linked share-based remuneration plan for Members of the Board of Directors et al. of NIDEC

In FY2018, the NIDEC Group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's Members of the Board of Directors (excluding Founder and Chairman of the Board (that time), outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors and are collectively referred to as the "Eligible Board Members"). This Plan was partially revised in the 51st Regular General Meeting Shareholders held on June 18, 2024.

1) Overview of the Plan

The Plan is structured as a BIP (Board Incentive Plan) trust (the "BIP Trust"). The BIP Trust is a share-based remuneration plan for officers that grants Company shares and pay cash proceeds from the liquidation of Company shares to the Eligible Board Members based on their rank, operating performance targets' degree of attainment, and other factors, like U.S. and European performance share plans and restricted stock plans.

2) Content of trust agreement

|                                 |                                                                                                                                                                                                                                               |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of trust:                  | Specified individually operated trust of money other than money trust (third-party benefit trust)                                                                                                                                             |
| Purpose of trust:               | To incentivize the Eligible Board Members                                                                                                                                                                                                     |
| Trustor:                        | The Company                                                                                                                                                                                                                                   |
| Trustee:                        | Mitsubishi UFJ Trust and Banking Corporation<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)                                                                                                                                            |
| Beneficiaries:                  | The Eligible Board Members who meet beneficiary requirements                                                                                                                                                                                  |
| Trust administrator:            | A third-party (certified public accountant) with no interest in NIDEC                                                                                                                                                                         |
| Trust extension agreement date: | July 24, 2024                                                                                                                                                                                                                                 |
| Trust period:                   | July 26, 2018, through August 31, 2027 (tentative)                                                                                                                                                                                            |
| Plan inception date:            | July 26, 2018                                                                                                                                                                                                                                 |
| Exercise of voting rights:      | Not to be exercised                                                                                                                                                                                                                           |
| Class of shares to be acquired: | The Company's ordinary shares                                                                                                                                                                                                                 |
| Amount of trust funding:        | ¥1.77 billion                                                                                                                                                                                                                                 |
| Share acquisition period:       | August 7, 2024                                                                                                                                                                                                                                |
| Share acquisition method:       | Third-party allotment of the Company's treasury stock.                                                                                                                                                                                        |
| Rights holder:                  | The Company                                                                                                                                                                                                                                   |
| Residual assets:                | Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust. |

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Total number of shares to be acquired by the Eligible Board Members, etc.

1,137,600 shares (three-year total) (including shares for group companies)

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

4) Scope of persons eligible to receive beneficial interests and other rights under the Stock ownership plans

The Eligible Board Members who meet beneficiary requirements.

② Performance-linked share-based payment plan for domestic and overseas NIDEC executives

The Company resolved to adopt a performance-linked share-based payment plan (the "Plan") for domestic and overseas executives of NIDEC (the "NIDEC Executives") at the meeting of its Board of Directors held on April 24, 2018. However, company revised a part of the content of this Plan at the meeting of the Board of Directors held on March 2, 2024

### 1) Overview of the Plan

The Plan is structured as an ESOP (Employee Stock Ownership Plan) trust (the "ESOP Trust"). The ESOP Trust is an employee incentive plan modeled after U.S. ESOP plans. More specifically, it is a share-based payment plan that grants Company shares and pay cash proceeds from the liquidation of Company shares to the NIDEC Executives based on their respective job titles, operating performance targets' degree of attainment, and other factors.

### 2) Content of trust agreement

|                                 |                                                                                                                                                                                                                                               |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type of trust:                  | Specified individually operated trust of money other than money trust (third-party benefit trust)                                                                                                                                             |
| Purpose of trust:               | To incentivize the NIDEC Executives                                                                                                                                                                                                           |
| Trustor:                        | The Company                                                                                                                                                                                                                                   |
| Trustee:                        | Mitsubishi UFJ Trust and Banking Corporation<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)                                                                                                                                            |
| Beneficiaries:                  | The NIDEC Executives who meet beneficiary requirements                                                                                                                                                                                        |
| Trust administrator:            | A third-party (certified public accountant) with no interest in NIDEC                                                                                                                                                                         |
| Trust extension agreement date: | July 24, 2024                                                                                                                                                                                                                                 |
| Trust period:                   | July 26, 2018, through August 31, 2027 (tentative)                                                                                                                                                                                            |
| Plan inception date:            | July 26, 2018                                                                                                                                                                                                                                 |
| Exercise of voting rights:      | Not to be exercised                                                                                                                                                                                                                           |
| Class of shares to be acquired: | The Company's ordinary shares                                                                                                                                                                                                                 |
| Amount of trust funding:        | ¥770 million                                                                                                                                                                                                                                  |
| Share acquisition period:       | August 7, 2024                                                                                                                                                                                                                                |
| Share acquisition method:       | Acquired by third-party allotment of the Company's treasury stock                                                                                                                                                                             |
| Rights holder:                  | The Company                                                                                                                                                                                                                                   |
| Residual assets:                | Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust. |

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

### 3) Total number of shares to be acquired by the NIDEC Executives, etc.

529,000 shares (three-year total) (including shares for group companies)

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

### 4) Scope of persons eligible to receive beneficial interests and other rights under the Stock ownership plans

The NIDEC Executives who meet beneficiary requirements.

## 2. Information on Acquisition, etc. of Treasury Stock

Class of shares

Acquisition of ordinary shares under Article 155, item 3 of the Companies Act and acquisition of ordinary shares under Article 155, item 7 of the Companies Act.

(1) Acquisition of treasury stock under the resolution of the General Meeting of Shareholders

Not applicable

(2) Acquisition of treasury stock under the resolution of the Meetings of the Board of Directors

| Classification                                                                                                                            | Number of shares (Shares) | Total amount (Yen) |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| Details on resolution at the Meeting of the Board of Directors held on May 27, 2025 (Term of validity: from May 28, 2025 to May 27, 2026) | 13,000,000                | 35,000,000,000     |
| Treasury stock acquired before the year ended March 31, 2026                                                                              | —                         | —                  |
| Treasury stock acquired during the year ended March 31, 2026                                                                              | —                         | —                  |
| Treasury stock not acquired for the year ended March 31, 2026                                                                             | —                         | —                  |
| The percentage of remaining treasury stock not acquired as of March 31, 2026 (%)                                                          | 100.00                    | 100.00             |
| Treasury stock acquired during the period after the reporting period to the filing date of this report                                    | —                         | —                  |
| The percentage of remaining treasury stock not acquired as of filing date (%)                                                             | 100.00                    | 100.00             |

(Note) On October 23, 2025, the Company's Board of Directors decided to discontinue the share repurchase based on the Board of Directors resolution held on May 27, 2025.

(3) Details of acquisition of treasury stock not under the resolution of the General Meeting of Shareholders or the Meetings of the Board of Directors

| Classification                                                                                         | Number of shares (Shares) | Total amount (Yen) |
|--------------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| Treasury stock acquired during the year ended March 31, 2026                                           | 1,806                     | 4,166,511          |
| Treasury stock acquired during the period after the reporting period to the filing date of this report | 525                       | 1,363,131          |

(Notes) 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of shares less than one unit purchased from July 1, 2026 to the filing date of this report

(4) Status of the disposition and holding of acquired treasury stock

| Classification                                                                                                                | Year ended March 31, 2026 |                                | Period after the reporting period to the filing date of this report |                                |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------|---------------------------------------------------------------------|--------------------------------|
|                                                                                                                               | Number of shares (Shares) | Total disposition amount (Yen) | Number of shares (Shares)                                           | Total disposition amount (Yen) |
| Acquired treasury stock for which subscribers were solicited                                                                  | —                         | —                              | —                                                                   | —                              |
| Acquired treasury stock which was retired                                                                                     | —                         | —                              | —                                                                   | —                              |
| Acquired treasury stock for which transfer of shares was conducted due to merger, share exchange or company separation        | —                         | —                              | —                                                                   | —                              |
| Others (Disposal of treasury stock through third-party allotment in line with the continuation of the performance share plan) | —                         | —                              | —                                                                   | —                              |
| Total number of treasury stock held                                                                                           | 44,590,187                | —                              | 44,590,712                                                          | —                              |

(Notes) 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of shares less than one unit purchased from July 1, 2026 to the filing date of this report

2. Treasury stock do not include shares of the Company held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust.

### **3. Dividend Policy**

NIDEC's dividend policy is to maintain stable dividends and raise dividends based on its consolidated net profit results and at the same time, to increase internal reserves to further strengthen its operational structure and to promote bold business development.

NIDEC generally aims to pay dividends of surplus twice a year by interim and year-end dividends. The Board of Directors has the authority to declare these dividends of surplus.

In the current consolidated fiscal year, as it was expected that material misstatements requiring correction in prior-period financial statements would be identified as a result of the investigations by the Third-Party Committee, other internal investigations, and the internal investigation regarding potential quality issues, the Board of Directors resolved not to pay dividends from retained earnings, consisting of the interim dividend with a record date of September 30, 2025 and the year-end dividend with a record date of March 31, 2026.

The investigations by the Third-Party Committee, the other internal investigations, and the internal investigation regarding potential quality issues have been completed, and the consolidated financial statements for the current consolidated fiscal year reflect the impact of corrections to prior-period financial statements based on the results of these investigations.

Further details of the investigations by the Third-Party Committee, the other internal investigations, and the internal investigation regarding potential quality issues are described in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Financial Statements, Notes to Consolidated Financial Statements, 43. Additional information".

#### **4. Corporate Governance, etc.**

##### **(1) Overview of Corporate Governance**

###### **1) Basic policy regarding corporate governance**

In response to improper accounting, the Company's internal management system, etc. was considered to be in high need of improvement and the Tokyo Stock Exchange, Inc. designated the Company's stock as a Security on Special Alert on October 28, 2025. In response, the Company prepared an Improvement Plan and Status Report and submitted them to the Tokyo Stock Exchange on January 28, 2026, with the aim of fundamentally improving the internal management system, etc. in preparation for the lifting of the designation as a Security on Special Alert.

Subsequently, on April 17, 2026, we received the final version of the investigation report from the independent Third-Party Committee. We take seriously the facts identified, the analysis of the causes, and the recommendations for preventing recurrence, and a revised improvement plan and status report was published on April 27, 2026, updating the original plan to make it more effective. The improvement plan and status as of September 30, 2026 are stated in "Management Policies, Business Environment and (3) Status of Implementation of the Improvement Plan and Status Report."

With regard to the suspected quality-related misconduct, it was discovered that for certain products manufactured by the Company and group companies, there may have been misconduct, including changes to materials, processes, designs, etc., that were not confirmed by the customer.

In addition to the thorough investigation by the Investigation Committee, we will establish an Improvement Promotion Office within the Company to communicate with customers in a timely and appropriate manner and to examine and implement effective recurrence prevention measures.

To enable the Board of Directors to perform its functions effectively, directors with diverse knowledge, experience, and expertise were elected at the general meeting of shareholders and the composition of the Board of Directors was revised. In the new Board of Directors, the ideal form of corporate governance the Company is pursuing will be promptly discussed, and the content will be reflected in the "Corporate Governance Policy" to improve it. If the situation changes, it will be disclosed in a timely manner.

In response to the series of incidents, we have completely revised our previous management philosophy and are working to fundamentally strengthen our management base from the perspective of "corporate culture, systems and processes," with the highest priority on correctness and sincerity. We will rebuild a highly transparent governance system and realize reform to become a company trusted by stakeholders.

###### **2) Corporate governance system**

###### **(i) The overview of NIDEC's corporate governance system and reasons NIDEC uses the system**

In addition to the Board of Directors, the Audit and Supervisory Committee, and the Accounting Auditor as stipulated in the Companies Act, the Company has established the Group Executive Management Meeting as an executive body. Furthermore, the Company has established the Nomination Committee and the Remuneration Committees as advisory committees to the Board of Directors.

As of September 30, 2026, the Board of Directors, which makes decisions on important management matters and supervises business execution, consists of 12 directors, a majority of whom are independent outside directors. These directors make decisions on important management matters and supervise business execution. The Audit and Supervisory Committee, which comprises 5 members of the Board of Directors who are Audit and Supervisory Committee Members, audits the execution of business operations by the Members of the Board of Directors of the Company and receives an audit report from the accounting auditor. The Company appoints highly independent outside directors who have no special interests in the Company as the Members of its Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members to strengthen the audit and supervisory function over its business management. The Company's 5 outside members of the Board of Directors who are not Audit and Supervisory Committee Members, based on their broad experience and deep insight, make decisions on material business management-related matters from an objective and neutral standpoint, and supervise the execution of business operations. The Company's 5 outside members of the Board of Directors who are Audit and Supervisory Committee Members, based on their broad experience and deep insight, audit and supervise the Company's business management from an objective and neutral standpoint.

The Group Executive Management Meeting is held and convened by the President twice a month as a rule as the decision-making body for operational matters. The meeting involves the pre-deliberation of items submitted to the Board of Directors, as well as the deliberation and resolution of overall operational policies, plans, and individual important matters.

The Nomination Committee and the Remuneration Committee have traditionally been composed of a majority of independent outside directors, but in order to further enhance fairness, transparency, and objectivity, both committees have been composed of

five independent outside directors since the Regular General Meeting of Shareholders held on June 18, 2026. The Nomination Committee deliberates on matters such as the basic policies and criteria for the selection of directors and vice presidents, as well as the determination of candidate proposals, in response to consultations from the Board of Directors, and reports the results to the Board of Directors. The Remuneration Committee deliberates on matters such as the basic policies and compensation system for executive compensation in response to consultations from the Board of Directors, and reports the results to the Board of Directors.

To further enhance its business management efficiency, the Company adopts "vice president" and "business unit" systems. The vice president system aims to clearly divide the roles of the Members of the Board of Directors, who are legally responsible for the Company's business management and supervising, and those of the Vice Presidents, who are in charge of executing business operations, and to make the roles of the Company's Board of Directors be more concentrated on decision making regarding company-wide business operations and ensure active discussions on those matters. The vice president system also aims to transfer authorities from the Members of the Board of Directors to Vice Presidents to expedite the Company's decision-making process. The business unit system aims to clarify the areas of responsibility for individuals to maintain and strengthen the effective internal control system. In addition, the Company has introduced the Chief Officer System.

We have built a new global headquarters structure centered on leaders of each function (CxOs) and are working to strengthen our system of cross-organizational functions to pursue overall optimization, including in group companies.

(Note): At the Regular General Meeting of Shareholders held on June 18, 2026, four outside directors (Full-time Audit and Supervisory Committee Members) were appointed, and the number of outside directors who are Audit and Supervisory Committee Members is five.

#### [Criteria for Selection of Director Candidates]

The Company clarified requirements for the composition of the Board of Directors, including corporate management experience and accounting expertise, thereby ensuring transparency and consistency in the director appointment and dismissal process as of April 1, 2026. At the same time, the Company revised its criteria for the appointment and dismissal of directors to incorporate considerations such as ethical standards, compliance, sound management discipline, and medium- to long-term human resource development.

#### < Policy on the Appointment of Directors >

To enhance the global competitiveness of the Company's Group and ensure that the Board of Directors functions efficiently and effectively, appointments to the Board of Directors shall be made with due consideration to diversity of knowledge, experience, and expertise, as well as the overall composition of the Board. In addition, to increase sustainable corporate value through addressing social issues via its business activities, the Company shall appoint individuals who possess a strong sense of corporate ethics and compliance and who can contribute to improving the soundness and transparency of management, taking into account the selection criteria for the relevant position and other relevant factors.

#### < Criteria for Selection of Director Candidates >

Candidates for directors (including directors who are members of the Audit and Supervisory Committee) must satisfy all of the following:

- (a) Possess excellent character and judgment, respect market discipline, and maintain high ethical standards.
- (b) Be able to make fair judgments from a neutral and objective standpoint, effectively supervise execution, and determine the direction of management strategy.
- (c) Possess sufficient experience and expertise to meet the expectations of a broad range of stakeholders and to contribute to the sustainable growth of the Company's Group and the enhancement of corporate value over the medium- to long-term while leveraging the Company's strengths, and be able to actively provide input and recommendations at Board meetings.
- (d) Not fall under any of the disqualification grounds for directors set forth in Article 331, Paragraph 1 of the Companies Act.
- (e) Candidates for outside directors must, in addition to the above, satisfy the independence criteria set forth in the "Independence Criteria for Outside Directors" set forth below.
- (f) Candidates for internal directors must, in addition to the above criteria, possess the qualities necessary to balance the execution of management decisions and the supervision of business execution.

#### <Criteria for Dismissal of Directors>

- (a) Where it becomes evident that a director clearly fails to satisfy the selection criteria.
- (b) Where there has been misconduct or a material violation of laws, regulations, the Articles of Incorporation, or other internal rules.

[Reference] Independence Criteria for Outside Directors

A person shall be deemed to be independent if none of the following apply:

- (a)Affiliation with the Group: A person who is, or has been within the past ten (10) years, an executive (Note 1) of the Company or any of its consolidated subsidiaries (collectively, the "Group").
- (b)Major Shareholder: A shareholder who directly or indirectly holds 10% or more of the total voting rights of the Company, or an executive of such a shareholder.
- (c)Major Business Partner (to the Group): A person for whom the Group is a major business partner (Note 2), or an executive of such a person.
- (d)Major Business Partner (of the Group): A major business partner of the Group (Note 3), or an executive thereof.
- (e)High-Remuneration Specialist: A consultant, accounting professional, or legal professional who (i) has received from the Group monetary or other property benefits— other than compensation for directors—exceeding JPY 10 million per year within the past three fiscal years, or (ii) belongs to a corporation, partnership, or other organization that has received from the Company's Group payments exceeding 2% of such organization's total annual revenue within the past three fiscal years.
- (f)Reciprocal Directorship: An executive of a company that accepts directors or corporate auditors (whether full-time or part-time) from the Group.
- (g)Affiliated Audit Firm: A person affiliated with the accounting auditor of the Group.
- (h)Recipient of Significant Donations: An executive of an organization that has received donations or grants from the Group, within the past three fiscal years, exceeding JPY 10 million per year or 2% of the total revenue of such organization.
- (i)Close Relatives: A spouse or a relative within the second degree of kinship of any person falling under any of items (1) through (8) above (limited to material persons).
- (j)Tenure: A person whose cumulative tenure as an outside director of the Company exceeds ten (10) years.
- (k)Other: In addition to the foregoing items, any other person who is reasonably determined to have special circumstances that may give rise to a conflict of interest with general shareholders.

(Notes)

- 1. "Executive" means an executive director, executive officer, Vice President, or any other officer or employee who executes the business of a corporation or other entity.
- 2. A "person for whom the Group is a major business partner" means a person who, in any of the past three fiscal years, has received payments from the Group amounting to 2% or more of such person's consolidated annual net sales.
- 3. A "major business partner of the Group" means a person who, in any of the past three fiscal years, has made payments to the Group amounting to 2% or more of the Company's consolidated annual net sales.

(ii) Other matters related to corporate governance

The Company has in place the following system:

- (a)System to ensure the execution of duties by the Company's and its subsidiary's members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation  
The Company has in place the following system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:
  - The Company has established "Nidec Group Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout our group, and establish a compliance system and promote total awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
  - The Company maintains a Compliance Committee chaired by the Chief Compliance Officer, Board of Directors, formulates basic compliance policies, and monitors the Nidec group's compliance status.
  - The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all of our group's officers and employees understand and act on them.
  - As part of its compliance promotion activity, the Company holds compliance seminars for our individual companies, along with initiatives such as the preparation and use of the "Nidec Compliance Handbook (Online Edition)," in an effort to raise their officers and employees awareness on compliance.
  - To spread compliance throughout our group, the Company has in place a group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage our group's employees to make reports and point out problems regarding violations of

laws and regulations, and internal rules, and to protect whistleblowers of such problems.

- To promote the aforementioned activity, the Company's Compliance Department works with our group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in our individual companies, forming a global compliance system.
- To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Compliance Department or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee or the Board of Directors to decide on penalties.
- The Company has its head office departments provide the entire of our group with internal control system-related instructions and support, and manage and audit our companies to ensure legal, proper, and efficient business operations.
- The internal audit departments of the Company and its subsidiaries conduct internal audits on our individual companies to provide them with instruction, support, and advice for better business operations.

(b)System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations, "and Audit and Supervisory Committee Members may view those documents at any time.

(c)Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries

- The Company established "Risk Management Regulations" to have in place a group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee decides the Company's risk management policies each fiscal year, while general managers of the Company's risk management departments and our companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits our companies on the design of their risk management systems, as appropriate.
- In addition to "Risk Management Regulations," which are intended to manage daily risks, the Company adopts our group-wide "Crisis Management Regulations." To prepare for a situation in which a risk is actualized and must be handled in reality.
- The Company formulates the basic policy, management systems and operation methods regarding information security to manage information security risk group-wide. The Company established the Information Security Basic Regulations to secure our group's information assets which are important management assets for business activity as well as to assure proper use of the information assets.
- The Company has established the Information Security Committee chaired by the Chief Information Security Officer (CISO) under the supervision of the Board of Directors, and formulated the basic policy regarding information security. The Company monitors and supervises the implementation and process of information security measures.
- The division responsible for managing information security supports the execution of the related measures and responds to accidents and issues related to information security. The Corporate Administration & Internal Audit Department conducts information security auditing, supervises and supports the implementation of the related measures, as appropriate.

(d)System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors

- As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors," the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
- The Company and its subsidiaries have in place "Approval Request (Ringi) Regulations," which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
- The Company and its subsidiaries hold various meetings and other forums to promptly report and share material information, and the minutes of the meeting is sent to each department general manager for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting.

- (e)Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries
- The members of the Board of Directors and Vice Presidents of the Company serve as part-time members of the Board of Directors of our domestic group companies as well, attend their Board of Directors Meetings, hold a group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within our group.
  - The administrative departments responsible for our individual companies business operations work to improve collaboration with those companies, and attend their internal meetings as necessary to check their operational statuses and challenges, in order to accurately understand their management status.
- (f)Matters concerning employees to support the work of the Audit and Supervisory Committee, and matters concerning ensuring the independence of those employees from other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and the effectiveness of instructions given by the Audit and Supervisory Committee to those employees
- In accordance with the Audit and Supervisory Committees requests, the Corporate Administration & Internal Audit Department audits matters that Audit and Supervisory Committee Members request to be audited, and reports the audit results to the Audit and Supervisory Committee.
  - During such an audit, support is provided for performing the audit if ordered or requested by Audit and Supervisory Committee Members. Other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) or Vice Presidents of the Company pose no improper restrictions on such reports.
- (g)System for members of the Board of Directors and employees of our group, members of the Audit & Supervisory Board of subsidiaries, or those who received reports from any of these people to report to the Company's Audit and Supervisory Committee, and system to protect whistleblowers
- The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit and Supervisory Committee, in addition to statutory matters, matters that materially affect the entire of our group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and Vice Presidents, and the Audit and Supervisory Committee.
  - The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's Audit and Supervisory Committee on a regular basis, and reports the internal audit results at our group companies.
  - The Company's Compliance Department reports the status of whistle blowing by our group's officers and employees to the Company's Audit and Supervisory Committee on a regular basis.
  - Our group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the group-wide internal whistle blowing system, Nidec Global Compliance Hotline.
- (h)Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by Audit and Supervisory Committee Members (limited to those related to the execution of duties of the Audit and Supervisory Committee), for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by Audit and Supervisory Committee Members
- In accordance with the Company's Audit and Supervisory Committee Regulations and the standards for audit by the Audit and Supervisory Committee, the Company's Audit and Supervisory Committee is entitled to independently deliberate matters, such as budget for auditing expenses, that Audit and Supervisory Committee Members deem it necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.
- (i)Other systems to ensure an effective audit by the Audit and Supervisory Committee
- Audit and Supervisory Committee Members exchange their opinions with the Company's executives.
  - Audit and Supervisory Committee Members prepare each months activities in an audit report, and submit it to the Company's Board of Directors.
  - Audit and Supervisory Committee Members visit our individual companies onsite to conduct audits on operations.

(iii)Activities of the Board of Directors

NIDEC holds a meeting of the Board of Directors once a month in principle, and as needed. During the fiscal year under review, the Board of Directors meetings were held 34 times. The attendance of individual directors is as follows.

| Name               | Number of times held | Number of times attended |
|--------------------|----------------------|--------------------------|
| Shigenobu Nagamori | 23                   | 17                       |
| Mitsuya Kishida    | 34                   | 32                       |
| Hiroshi Kobe       | 29                   | 24                       |
| Shinichi Sato      | 34                   | 31                       |
| Yayoi Komatsu      | 34                   | 30                       |
| Takako Sakai       | 34                   | 31                       |
| Kazuya Murakami    | 8                    | 8                        |
| Hiroyuki Ochiai    | 34                   | 32                       |
| Aya Yamada         | 34                   | 32                       |
| Hiroe Toyoshima    | 34                   | 33                       |
| Kunio Umeda        | 34                   | 31                       |
| Hiroshi Yoshii     | 26                   | 26                       |

(Notes)

1. The difference in the number of times held is due to the difference in the timing of appointment.
2. Changes in the Members of the Board of Directors (Audit and Supervisory Committee Members) at the Regular General Meeting of Shareholders held on June 20, 2025 are as follows.
  - 1)Mr. Hiroshi Yoshii was newly elected and was sworn in as an outside director (Full-time Audit and Supervisory Committee Member).
  - 2)Mr. Kazuya Murakami has resigned as a Member of the Board of Directors (Audit and Supervisory Committee Member).
  - 3.Mr. Shigenobu Nagamori resigned as a Member of the Board of Directors on December 19, 2025.
  - 4.Mr. Hiroshi Kobe resigned as a Member of the Board of Directors on March 3, 2026.
  - 5.Mr. Shinichi Sato, Ms. Yayoi Komatsu and Ms. Takako Sakai resigned as outside directors on June 18, 2026.
  - 6.Mr. Hiroyuki Ochiai resigned as a Member of the Board of Directors (Audit and Supervisory Committee Member) on June 18, 2026.
  - 7.Ms. Aya Yamada, Ms. Hiroe Toyoshima and Mr. Kunio Umeda resigned as outside directors (Audit and Supervisory Committee Members) on June 18, 2026.
  - 8.Mr. Akitsugu Era, Mr. Shinichi Koizumi, Mr. Soichiro Sakuma, Mr. Yuji Nishiura and Mr. Ryoichi Yamamoto were newly elected as the Members of the Board of Directors at the Regular General Meeting of Shareholders held on June 18, 2026. Therefore, their attendance record is not provided for the present fiscal year.
  - 9.Mr. Hideki Amano, Ms. Misawa Kishinami, Mr. Mitsuhiro Hasegawa and Mr. Takeshi Yamazaki were newly elected as the Members of the Board of Directors (Audit and Supervisory Committee Members) at the Regular General Meeting of Shareholders held on June 18, 2026. Therefore, their attendance record is not provided for the present fiscal year.

Specific details of activities by the Board of Directors are as follows.

The Board of Directors determines matters stipulated by laws and regulations, important matters related to corporate management and group management, and other matters stipulated in the Regulations of the Board of Directors. It also supervises the execution of Directors and Vice Presidents' duties by receiving reports on the status of execution of duties from Directors and Vice presidents.

(iv)Evaluation of the effectiveness of the Board of Directors

In order to verify whether the entire Board of Directors is appropriately fulfilling its roles and responsibilities and to improve its functions, the Company conducts an evaluation of the effectiveness of the Board of Directors using a third party organization.

(a)Evaluations and identified issues

In the fiscal year under review, in response to the occurrence of allegations of misconduct related to improper accounting practices and quality control in the previous fiscal year, the serious issue of the Board of Directors' supervisory function not being

fully exercised was highlighted. Through investigation reports such as by the Third-Party Committee and effectiveness evaluations, we recognize that the main factors hindering the effectiveness of the Board of Directors were the lack of checks and balances against the concentration of authority on specific individuals, the lack of sharing of important risk information from the executive side, and the lack of discussion of medium- to long term management strategies.

(b)Improvements for issues;

Based on these evaluation results and the issues identified, the Company has implemented the following drastic improvement measures based on the “Improvement Plan and Status Report.”

- Revision of the Board of Directors composition: We strengthened objective and neutral supervisory functions by increasing the number of outside directors with diverse knowledge, experience, and expertise (at the Regular General Meeting of Shareholders in June 2026).

- Strengthening the support system for outside directors: In order to eliminate information asymmetry and share important risk information in a timely and appropriate manner, we newly established the “Office of the Board of Directors” as a dedicated organization (June 2026).

- Review of agenda items and management of critical risks: Along with strengthening oversight of the appropriateness of business plan assumptions and targets, we have put in place systems and rules for ensuring that material risk information is reported to the Board of Directors.

The Company will strive to rebuild a highly transparent governance system and regain the trust of stakeholders by continuously monitoring the status of each improvement measure and making further improvements through the next effectiveness evaluation.

(v)Activities of the Nomination Committee

During the period from April 1, 2025 to March 31, 2026, NIDEC held the Nomination Committee six times, and the attendance status of each Nomination Committee member is as follows.

| Name            | Number of times held | Number of times attended |
|-----------------|----------------------|--------------------------|
| Mitsuya Kishida | 6                    | 5                        |
| Yayoi Komatsu   | 6                    | 6                        |
| Takako Sakai    | 6                    | 6                        |
| Aya Yamada      | 6                    | 6                        |
| Hiroshi Yoshii  | 6                    | 5                        |

(Notes)

1. Mr. Mitsuya Kishida retired from the position of Nomination Committee member as of March 26, 2026.
2. Mr. Hiroshi Yoshii was appointed as a Nomination Committee member as of June 20, 2025.
3. Ms. Yayoi Komatsu, Ms. Takako Sakai, and Ms. Aya Yamada resigned as Nomination Committee members as of June 18, 2026.
4. Mr. Ryoichi Yamamoto, Mr. Shinichi Koizumi, Mr. Soichiro Sakuma, and Mr. Yuji Nishiura were appointed as members of the Nomination Committee as of June 18, 2026, their attendance status during the fiscal year is not stated.

Specific details of activities by the Nomination Committee are as follows.

The Nomination Committee has newly established globally common selection criteria for the Board of directors and vice presidents, reviewed the scope of matters to be deliberated by the Nomination Committee, and strengthened the selection process to ensure transparency and objectivity, as initiatives to establish a sustainable management structure that does not depend on specific individuals and to enhance the effectiveness of the Nomination Committee. Specifically, we have newly established selection criteria that include perspectives on ethics, compliance, and market discipline, moving away from conventional selection criteria that emphasized past performance, and have expanded the scope of deliberation for the appointment of executive officers from presidents and executive vice presidents to vice presidents, conducting multifaceted evaluations to determine whether they are suitable personnel for the management team. In addition, we have revised the selection process, and in selecting the Board of Directors and vice presidents for fiscal year 2026, we examined candidates against new selection criteria, and in addition to interviews by nomination committee members, compliance checks including past disciplinary actions, and for internal candidates, multifaceted information such as external assessment results, the nomination committee deliberated carefully over multiple sessions to select the Board of Directors and vice presidents.

(vi)Activities of the Remuneration Committee

During the period from April 1, 2025 to March 31, 2026, NIDEC held the Remuneration Committee six times, and the attendance status of each Remuneration Committee member is as follows.

| Name               | Number of times held | Number of times attended |
|--------------------|----------------------|--------------------------|
| Shigenobu Nagamori | 2                    | 1                        |
| Mitsuya Kishida    | 6                    | 6                        |
| Shinichi Sato      | 6                    | 6                        |
| Takako Sakai       | 6                    | 5                        |
| Aya Yamada         | 6                    | 6                        |
| Hiroshi Yoshii     | 4                    | 3                        |

(Notes)

1. Mr. Shigenobu Nagamori retired from the position of Compensation Committee member as of June 20, 2025.
2. Mr. Hiroshi Yoshii was appointed as a Compensation Committee member as of June 20, 2025.
3. Mr. Mitsuya Kishida, Mr. Shinichi Sato, Ms. Takako Sakai, and Mr. Aya Yamada retired as Remuneration Committee members as of June 18, 2026.
4. Mr. Ryoichi Yamamoto, Mr. Shinichi Koizumi, Mr. Soichiro Sakuma, and Mr. Yuji Nishiura were appointed as members of the Remuneration Committee as of June 18, 2026, their attendance status during the fiscal year is not stated.

Specific details of activities by the Remuneration Committee are as follows.

The Remuneration Committee worked on breaking away from an organizational culture that places excessive emphasis on short-term performance and promoted initiatives to ensure transparency and consistency regarding executive compensation for our Group. We are expanding the scope of deliberation by the Compensation Committee from a group-wide perspective, as well as the design of the compensation system. We deliberate on compensation-linked indicators, the appropriateness of compensation structure, etc., and individual compensation amounts. For details on the content of deliberations, please refer to "(4) Remuneration, etc. of Officers" in "4 Status of Corporate Governance, etc." under "Part 4 Status of the Filing Company."

(vii)Outline of the limitation of liability agreements

The Company has executed limitation of liability agreements with Outside Members of the Board of Directors and Outside Members of the Board of Directors who are Audit and Supervisory Committee Members. The outline of such contracts is as follows:

- The maximum amount of liability that any Outside Member of the Board of Directors or Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member is held accountable to the Company as a result of his/her negligence in the performance of his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any Outside Member of the Board of Directors or Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member being held accountable was executed in good faith, and if no gross negligence is identified in such duty.

(viii)Outline of the indemnification agreement

The Company has executed an indemnification agreement, as stipulated in Article 430-2, Paragraph 1 of the Companies Act, with Members of the Board of Directors as of this Regular General Meeting of Shareholders held on June 18, 2026 and vice presidents as of the same date. Based on the provisions of this agreement and within the scope permitted by laws and regulations, expenses or losses incurred by the indemnified persons in connection with the execution of their duties shall be indemnified. However, the scope of indemnification under this agreement is limited to expenses and other costs relating to the execution of duties after the execution of such agreement. The indemnification agreement sets forth obligations relating to reporting, damage mitigation, and information provision by the relevant officers, and provides that indemnification will not be made in cases of non-compliance with these obligations, and that damages arising from acts committed with knowledge that such acts constituted violations of laws and regulations will not be indemnified, among other limitations. Furthermore, if it is subsequently determined that indemnification was inappropriate after it has been made, the Company may request the relevant officer to return all or part of the indemnification amount.

(xi) Outline of the Directors and Officers Liability Insurance contract

(a) Scope of the insured

Members of the Board of Directors, members of the Audit and Supervisory Committee, Vice presidents, fellows, accounting advisors, and employees in the positions of supervisors (including those who have already resigned from their positions and those who will assume the above positions during the insurance period) in the Group, and their successors.

(b) Outline of the insurance contract

The policy covers damages and litigation costs incurred by the insured, arising out of claims in connection with the acts performed by the insured (including omissions) in the course of their duties in the positions mentioned in item (i). By excluding from coverage any losses arising from bribery or other criminal conduct, as well as any losses suffered by officers themselves who intentionally engaged in unlawful acts, measures are taken to ensure that the proper execution of the duties of directors, officers and other relevant persons is not impaired. Insurance premiums are fully paid for by the Company.

3) Matters of the Members of the Board of Directors

(i) The number of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that the number of the Members of the Board of Directors who are not Audit and Supervisory Committee Members shall not exceed 15, and that the number of the Members of the Board of Directors who are Audit and Supervisory Committee Members shall not exceed 5.

(ii) Requirements for a resolution on the election of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that a resolution on the election of Members of the Board of Directors be adopted by a majority of the voting rights of shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights, and that the Members of the Board of Directors who are Audit and Supervisory Committee Members shall be distinguished from those members of the Board of Directors who are not. Also that cumulative voting not be applied to pass a resolution on the election of the Members of the Board of Directors.

In addition, in case there are not enough Members of the Board of Directors who are Audit and Supervisory Committee Members to meet their statutory number, the Company's Articles of Incorporation sets forth that the Company may elect a substitute member of the Board of Directors who is a Supervisory Committee Member at a General Meeting of Shareholders, and that the resolution regarding the election of such substitute Member of the Board of Directors who is a Supervisory Committee Member shall remain in effect until the beginning of the Regular General Meeting of Shareholders for the final fiscal year that ends within 2 years after such resolution.

4) Matters related to the resolution of the General Meeting of Shareholders

-The Company's Articles of Incorporation prescribe that matters specified in the items of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act of Japan, including those related to dividends of surplus, shall be decided by resolution of the Board of Directors without obtaining a resolution at a General Meeting of Shareholders, unless otherwise stipulated by laws and regulations. This is intended to enable the expeditious return of profits to shareholders by putting dividends of surplus, etc., under the Board of Directors' jurisdiction.

- The Company's Articles of Incorporation prescribe that a special resolution of the General Meeting of Shareholders, as specified by Article 309, Paragraph 2 of the Companies Act of Japan be adopted by at least two-thirds of the voting rights of the shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights. This is intended to facilitate the operation of the General Meetings of Shareholders by easing the quorum for special resolutions of the General Meeting of Shareholders.

(2) Members of the Board of Directors

1) List of Members of the Board of Directors

Eleven men and one woman

(Percentage of the members of the Board of Directors of NIDEC that are women: 8.3%)

| Position                         | Name           | Date of birth    | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Term of office | Number of shares held (thousands of shares) |
|----------------------------------|----------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Representative Director          | Masayuki Minai | March 25, 1969   | <p>Apr. 1991: Joined Toyota Motor Corporation</p> <p>Sep. 2022: General Manager, Human Resources Department, Toyota Motor Corporation</p> <p>Jul. 2024: General Manager, Human Resources and Administration, Toshiba Lifestyle Products &amp; Services Corporation</p> <p>Jan. 2025: Executive Consultant, NIDEC</p> <p>Apr. 2025: Vice President, Chief Compliance Officer (CCO) (current position), Chief Human Resource Officer (CHRO) (current position)</p> <p>Apr. 2026: Senior Vice President (current position)</p> <p>Jun. 2026: Member of the Board of Directors</p> <p>Sep.2026 Representative Director (Current position)</p> | *3             | 0                                           |
| Position                         | Name           | Date of birth    | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Term of office | Number of shares held (thousands of shares) |
| Member of the Board of Directors | Takeshi Miyake | November 9, 1967 | <p>Apr. 1990: Joined Sony Corporation (currently, Sony Group Corporation)</p> <p>Apr. 2021: Executive Officer, MITSUI-SOKO Supply Chain Solutions, Inc.</p> <p>Nov. 2023: Executive Officer, MITSUI-SOKO Co., Ltd.</p> <p>Apr. 2024: President, Top Insight LLC</p> <p>Sep. 2025: Executive Consultant, NIDEC</p> <p>Dec. 2025: Vice President (current position) Chief Supply Chain Officer (CSCO) (current position)</p> <p>Jun. 2026: Member of the Board of Directors (current position)</p>                                                                                                                                          | *3             | 0                                           |

| Position                                                                                   | Name           | Date of birth     | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Term of office | Number of shares held (thousands of shares) |
|--------------------------------------------------------------------------------------------|----------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member) | Hiroshi Yoshii | December 23, 1965 | <p>Apr. 1988: Joined Ministry of Finance of Japan</p> <p>Jul. 2000: Deputy Budget Examiner, the Budget Bureau, the Ministry of Finance of Japan</p> <p>Apr. 2003: Counselor, Director to the Director-General for Policy Planning, the Cabinet Office</p> <p>Jul. 2007: Senior Policy Coordinator, the Policy and Coordination Division, the Environmental Policy Bureau, the Ministry of the Environment</p> <p>Jul. 2009: Director for Co-ordination Division, the Budget Bureau, and Director of the Budget Management, the Fiscal Division, the Budget Bureau, the Ministry of Finance of Japan</p> <p>Feb. 2010: Secretary to the Minister of the Cabinet Office</p> <p>Jan. 2012: Counselor, the Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2012: Budget Examiner, the Budget Bureau the Ministry of Finance of Japan</p> <p>Jun. 2013: Counselor to the Director-General, the Reconstruction Agency</p> <p>Jun. 2016: Director of the Co-ordination Division, the Commissioner's Secretariat, the National Tax Agency</p> <p>Jul. 2018: Deputy Commissioner, the Commissioner's Secretariat, the National Tax Agency.</p> <p>Jul. 2019: Director General of the Fukuoka Regional Taxation Bureau</p> <p>Jul. 2020: Director General of the Nagoya Regional Taxation Bureau</p> <p>Jul. 2021: Director General of the Osaka Regional Taxation Bureau</p> <p>Jul. 2022: Director General for Policy Planning, the Ministry of Land, Infrastructure, Transport and Tourism of Japan</p> <p>Jul. 2023: Left the Ministry of Finance of Japan</p> <p>Dec. 2023: Executive Consultant, East Japan Railway Company</p> <p>Jun. 2025: Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member), NIDEC (current position)</p> <p>Jul. 2025: Member of the Audit and Supervisory Board, Nidec Advance Technology Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec OKK Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Global Service Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Takisawa Machine Tool Co., Ltd. (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Drive Technology Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Machinery Corporation</p> <p>Member of the Audit and Supervisory Board, Nidec Machine Tool Corporation (current position)</p> <p>Jun. 2026: Member of the Audit and Supervisory Board, Nidec Components Corporation (current position)</p> | *4             | 0                                           |

| Position                                                                                   | Name             | Date of birth      | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Term of office | Number of shares held (thousands of shares) |
|--------------------------------------------------------------------------------------------|------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member) | Takeshi Yamazaki | November 7, 1960   | <p>Apr. 1985: Joined Hitachi, Ltd.</p> <p>Apr. 2000: General Manager, Human Resources Department, Corporate Sales &amp; Marketing Group</p> <p>Jan. 2007: General Market Business Sales Manager, Kansai Area Operation</p> <p>Apr. 2012: Strategy Project General Manager, Management Planning Office, Strategy Planning Division</p> <p>Apr. 2015: General Manager of Management Planning Office, Strategy Planning Division</p> <p>Oct. 2019: Vice President, CSO, Hitachi-LG Data Storage, Inc.</p> <p>Apr. 2023: Audit &amp; Supervisory Board Member, Hitachi Real Estate Partners, Ltd.</p> <p>Jun. 2026: Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member), NIDEC (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Advanced Motor Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Instruments Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Powertrain Systems Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Precision Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Mobility Corporation (current position)</p> | *5             | 0                                           |
| Outside Member of the Board of Directors                                                   | Akitsugu Era     | September 18, 1978 | <p>May. 2000: Founded ELD Net Co., Ltd.</p> <p>Sep. 2006: Joined Nikko Asset Management Co., Ltd. (currently, Amova Asset Management Co., Ltd.)</p> <p>Apr. 2011: Joined BlackRock Japan Co., Ltd.</p> <p>Apr. 2017: Head of Investment Stewardship</p> <p>Jan. 2020: Managing Director, Head of Investment Stewardship</p> <p>Feb. 2025: Partner, Brunswick Group, LLC (current position)</p> <p>Mar. 2025: Outside Director, ANDPAD Inc. (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors, NIDEC (current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | *3             | -                                           |

| Position                                 | Name             | Date of birth     | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Term of office | Number of shares held (thousands of shares) |
|------------------------------------------|------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors | Shinichi Koizumi | February 29, 1948 | <p>Apr. 1971: Joined Toray Industries, Inc.</p> <p>Jun. 2004: Member of the Board</p> <p>Jun. 2006: Senior Vice President (Member of the Board)</p> <p>Jun. 2007: Senior Vice President (Member of the Board &amp; Member of the Executive Committee)</p> <p>Jun. 2008: Executive Vice President and Representative Member of the Board</p> <p>Jun. 2013: Senior Advisor, Toray Industries, Inc. Chairman and Member of the Board, Toray Corporate Business Research, Inc.</p> <p>Jun. 2015: Senior Advisor, Toray Industries, Inc. Independent Director, Obayashi Corporation</p> <p>Jun. 2016: Outside Director, Japan Bank for International Cooperation</p> <p>Jun. 2017: Standing Corporate Auditor, DeNA Co., Ltd.</p> <p>Apr. 2019: Outside Director, Preferred Networks, Inc. (current position)</p> <p>Jun. 2022: Advisor, Obayashi Corporation (current position)</p> <p>Jun. 2025: Outside Director of Board and Chairperson of the Board of Directors, Shinko Electric Industries Co., Ltd. (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors, NIDEC (current position)</p> | *3             | -                                           |

| Position                                 | Name            | Date of birth     | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Term of office | Number of shares held (thousands of shares) |
|------------------------------------------|-----------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors | Soichiro Sakuma | February 15, 1956 | <p>Apr. 1978: Joined Nippon Steel Corporation</p> <p>Apr. 2009: Executive Officer</p> <p>Apr. 2012: Managing Executive Officer</p> <p>Jun. 2012: Managing Director, Member of the Board</p> <p>Oct. 2012: Managing Director, Member of the Board, Nippon Steel &amp; Sumitomo Metal Corporation</p> <p>Apr. 2014: Representative Director and Executive Vice President</p> <p>Apr. 2018: Director, Member of the Board</p> <p>Jun. 2018: Executive Advisor</p> <p>Apr. 2019: Executive Advisor, Nippon Steel Corporation</p> <p>Jun. 2020: Independent Director, Konica Minolta, Inc. (current position)</p> <p>Jul. 2020: Senior Adviser, NS Solutions Corporation (current position)</p> <p>Jun. 2022: Outside Director, JX Advanced Metals Corporation</p> <p>Jun. 2023: Outside Director (Audit and Supervisory Committee Member) (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors and Chairperson of the Board of Directors, NIDEC (current position)</p> | *3             | -                                           |

| Position                                 | Name          | Date of birth   | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Term of office | Number of shares held (thousands of shares) |
|------------------------------------------|---------------|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors | Yuji Nishiura | January 3, 1953 | <p>Apr. 1975: Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>Feb. 2000: Representative Director and President, Booz Allen Hamilton Japan (currently PwC Consulting LLC)</p> <p>Jan. 2006: Japan Representative, AlixPartners LLC</p> <p>Jan. 2011: Vice Chairman of US Headquarters, AlixPartners LLC</p> <p>Dec. 2012: Director and Chair, AXA Life Insurance, Co., Ltd.</p> <p>Mar. 2013: Director and Chair, AXA General Insurance Company Limited</p> <p>Jun. 2014: Outside Director, Square Enix Holdings Co., Ltd.</p> <p>Dec. 2015: Chairman, Sumitomo Mitsui Trust Club Co., Ltd.<br/>Advisor, Sumitomo Mitsui Trust Bank, Limited</p> <p>Jun. 2019: Outside Director, LIXIL Corporation</p> <p>Jun. 2024: Outside Director, Chairperson of the Board of Directors (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors, NIDEC (current position)</p> | *3             | -                                           |

| Position                                 | Name             | Date of birth  | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Term of office | Number of shares held (thousands of shares) |
|------------------------------------------|------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors | Ryoichi Yamamoto | March 27, 1951 | <p>Apr. 1973: Joined The Daimaru, Inc.</p> <p>Feb. 1993: General Manager, Business Planning Division, Osaka Umeda Store</p> <p>Feb. 2001: Associate Director, General Manager of Business Innovation Office and Business Planning Office of Department Store Headquarters, Head Office</p> <p>May. 2003: President and COO</p> <p>Sep. 2007: Director, J. Front Retailing Co., Ltd. Director, Matsuzakaya Co., Ltd.</p> <p>Mar. 2010: President, Daimaru Matsuzakaya Department Stores Co. Ltd.</p> <p>Apr. 2013: President and Representative Director, J. Front Retailing Co., Ltd.</p> <p>May. 2017: Director, President and Representative Executive Officer</p> <p>May. 2020: Director, Chairperson of Board of Directors</p> <p>Jun. 2021: Outside Director, Noritake Co., Limited<br/>Outside Director, Daido Steel Co., Ltd.</p> <p>May. 2024: Advisor, J. Front Retailing Co., Ltd.</p> <p>Jun. 2025: Senior Advisor, J. Front Retailing Co., Ltd. (current position)</p> <p>Jun. 2026: Outside Director, San-Ai Obbli Co., Ltd. (current position)<br/>Outside Member of the Board of Directors, NIDEC (current position)</p> | *3             | -                                           |

| Position                                                                          | Name             | Date of birth     | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Term of office | Number of shares held (thousands of shares) |
|-----------------------------------------------------------------------------------|------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors (Audit and Supervisory Committee Member) | Hideki Amano     | November 26, 1953 | <p>Apr. 1976: Joined Arthur Andersen (currently, KPMG AZSA LLC)</p> <p>Sep. 1980: Registered as a certified public accountant of Japan</p> <p>Sep. 1992: Representative Member, Inoue Saito Eiwa Audit Corporation (currently, KPMG AZSA LLC)</p> <p>Sep. 2011: Vice President (Head of Audit), KPMG AZSA LLC</p> <p>Jul. 2015: Executive Senior Partner</p> <p>Mar. 2017: Outside Audit &amp; Supervisory Board Member, Kao Corporation</p> <p>Apr. 2017: Outside Director, ORIX Bank Corporation</p> <p>Jun. 2018: Audit &amp; Supervisory Board Member (External), Ajinomoto Co., Inc.</p> <p>Jun. 2019: Outside Corporate Auditor, Seiko Group Corporation (current position)</p> <p>Jun. 2021: Independent Outside Director, Ajinomoto Co., Inc.</p> <p>Jun. 2022: Outside Auditor, Mizuho Leasing Company, Limited (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p> | *5             | -                                           |
| Outside Member of the Board of Directors (Audit and Supervisory Committee Member) | Misawa Kishinami | November 4, 1972  | <p>Apr. 1995: Joined Industrial Bank of Japan, Ltd. (currently, Mizuho Bank, Ltd.)</p> <p>Aug. 2000: Joined Goldman Sachs Japan Co., Ltd.</p> <p>Dec. 2012: General Manager, Loan Syndication Department, Capital Market Headquarters, Investment Banking Division</p> <p>Dec. 2018: Executive Director, Investment Banking Division, UBS Securities Japan Co., Ltd.</p> <p>Jun. 2022: Outside Director, Shibaura Electronics Co., Ltd.</p> <p>Jun. 2024: Outside Director, Daiwabo Holdings Co., Ltd. (current position)</p> <p>Jun. 2026: Outside Member of the Board, Penta-Ocean Construction Co., Ltd. (current position)<br/>External Director, Sanken Electric Co., Ltd. (current position)<br/>Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>                                                                                                                                                        | *5             | -                                           |

| Position                                                                          | Name               | Date of birth     | Brief personal records                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Term of office | Number of shares held (thousands of shares) |
|-----------------------------------------------------------------------------------|--------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Outside Member of the Board of Directors (Audit and Supervisory Committee Member) | Mitsuhiro Hasegawa | November 25, 1953 | <p>Apr. 1982: Prosecutor, Osaka District Public Prosecutors Office</p> <p>Apr. 2000: Counsellor of Criminal Affairs Bureau, Ministry of Justice</p> <p>Apr. 2004: Prosecutor's Assistant Officer, Supreme Public Prosecutors Office</p> <p>Jan. 2007: Director of the Financial Division, Minister's Secretariat, Ministry of Justice</p> <p>Jan. 2008: Director of Criminal Division, Tokyo High Public Prosecutors Office</p> <p>Jul. 2010: Prosecutor, Supreme Public Prosecutors Office</p> <p>Jan. 2015: Superintending Prosecutor, Hiroshima High Public Prosecutors Office (retired in September 2016)</p> <p>Dec. 2016: Chairman, Securities and Exchange Surveillance Commission (retired in December 2022)</p> <p>Apr. 2023: Admitted to practice law in Japan (Tokyo Bar Association)<br/>Special Counsel, Mori Hamada &amp; Matsumoto</p> <p>Jan. 2026: Of Counsel, Uryu &amp; Itoga (current position)</p> <p>Jun. 2026: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p> | *5             | -                                           |
| Total                                                                             |                    |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                | 0                                           |

(Notes)

1. The number of shares held is the number of shares as of March 31, 2026, and rounded down to the nearest thousand shares.
2. Members of the Board of Directors, Mr. Hiroshi Yoshii, Mr. Takeshi Yamazaki, Mr. Akitsugu Era, Mr. Shinichi Koizumi, Mr. Soichiro Sakuma, Mr. Yuji Nishiura, Mr. Ryoichi Yamamoto, Mr. Hideki Amano, Ms. Misawa Kishinami, and Mr. Mitsuhiro Hasegawa are Outside Members of the Board of Directors.
3. A year from the end of the Regular General Meeting of Shareholders held on June 18, 2026.
4. Two years from the end of the Regular General Meeting of Shareholders held on June 20, 2025.
5. Two years from the end of the Regular General Meeting of Shareholders held on June 18, 2026.

2) The Outside Members of the Board of Directors and the Outside Members of the Board of Directors who are Audit and Supervisory Committee Members

Of the 12 Members of the Board of Directors, 10 are Outside Members, of whom five are Audit and Supervisory Committee Members.

The Outside Members of the Board of Directors make material management decisions and oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law.

The Company appoints Outside Members of the Board of Directors by referencing the independence criteria for outside directors defined by the Company, in order to select highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. The Company has notified the Tokyo Stock Exchange, Inc. that all Outside Members of the Board of Directors are independent officers. For details on the independence criteria for outside directors, please see 4 "Status of Corporate Governance" (3).

With regards to the 10 Outside Members of the Board of Directors appointed as such following the end of the Regular General Meeting of Shareholders on June 18, 2026, the relationships between the Company and them or the organizations they individually belong to are as follows.

Outside Member of the Board of Directors Mr. Hiroshi Yoshii's experience includes important posts at the Ministry of Finance of Japan, Director General of the Osaka Regional Taxation Bureau, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Takeshi Yamazaki previously served as an executive of Hitachi, Ltd. Although there is a business relationship between the Hitachi group and our Group involving the sale and purchase of products, he is no longer an executive of Hitachi, Ltd.. In addition, the scale of such transactions is less than 2% of the consolidated net sales of each of the Hitachi group and our Group for the past three fiscal years, and the Company therefore believes that there is no issue with his independence. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Akitsugu Era serves as an executive of Brunswick Group, LLC. Although there is a business relationship between the Brunswick Group and our Group based on an advisory agreement within the past three fiscal years, this advisory agreement was a temporary arrangement with an overseas affiliate of the Brunswick Group relating to competition law compliance in overseas markets in connection with the Company's M&A activities, and Mr. Era is not a member of such overseas affiliate and was not involved in any work under such agreement. Furthermore, the scale of such transactions is less than 2% of each of the Brunswick Group's and our Group's consolidated net sales for the past three fiscal years, and the Company therefore believes that there is no issue with his independence. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Shinichi Koizumi's experience includes important posts at the Toray Industries, Inc. and so forth. Currently, he holds the position of Outside Member of the Board of Directors at other business corporation, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Soichiro Sakuma previously served as an executive of Nippon Steel & Sumitomo Metal Corporation (currently Nippon Steel Corporation). Although there is a business relationship between the Nippon Steel Group and our Group involving the sale of products and other transactions, he is no longer an executive of Nippon Steel Corporation. In addition, the scale of such transactions is less than 2% of the consolidated net sales of each of the Nippon Steel Group and our Group for the past three fiscal years, and the Company therefore believes that there is no issue with his independence. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Yuji Nishiura previously served as an executive of Sumitomo Mitsui Trust Club Co., Ltd. Although there is a business relationship between the Sumitomo Mitsui Trust Group, of which the company is a member, and our Group involving the entrustment of share registrar services and other transactions, he is no longer an executive of the company. In addition, the scale of such transactions is less than 2% of the consolidated ordinary income (equivalent to consolidated net sales) of the Sumitomo Mitsui Trust Group and less than 2% of the consolidated net sales of our Group for the past three fiscal years, and the Company therefore believes that there is no issue with his independence. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Ryoichi Yamamoto previously served as an executive of J. Front Retailing Co., Ltd. Although there is a business relationship between the J. Front Retailing Group and our Group involving the sale of products and other transactions, he is no longer an executive of the company. In addition, the scale of such transactions is less than 2% of the consolidated net sales of each of the J. Front Retailing Group and our Group for the past three fiscal years, and the Company therefore believes that there is no issue with his independence. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Hideki Amano who is also Audit and Supervisory Committee Member, his experience includes important posts at the KPMG AZSA LLC, and so forth. Currently, he holds the position of Outside Member of the Board of Directors at other business corporation, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Ms. Misawa Kishinami who is also Audit and Supervisory Committee Member, her experience includes important posts in financial strategy and capital policy in the investment banking division of a financial institution, and so forth. Currently, she holds the position of Outside Member of the Board of Directors at other business corporation, and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Mr. Mitsuhiro Hasegawa who is also Audit and Supervisory Committee Member, his experience includes important posts at the Superintending Prosecutor of Hiroshima High Public Prosecutors Office, and so forth.

Currently, he holds the position of Counsel at other Law firm, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

The ownership of the Company's shares by the Outside Members of the Board of Directors is stated in "① List of Members of the Board of Directors".

As stated above, the Company enhances its supervisory function to improve its management's transparency and objectivity by appointing highly independent people who have no special interest with the Company as Outside Members of the Board of Directors.

### (3) Audit Status

#### 1) Status of the Audit by the Audit and Supervisory Committee

##### (i) Organization, members and procedures of audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of five members (all five being outside directors who are Audit and Supervisory Committee Members) and audits the execution of duties by directors in accordance with the audit policy and implementation plan established by the Audit and Supervisory Committee, and produces an annual audit report. Mr. Hideki Amano, who serves as Chairperson of the Audit and Supervisory Committee, is a Certified Public Accountant who has held key executive positions, including Deputy Chairperson, at an audit firm, and possesses specialized expertise and extensive practical experience in financial accounting and internal control. Ms. Misawa Kishinami has extensive advisory experience in financial strategy, capital policy, and related areas in the investment banking division of a financial institution, and possesses specialized expertise in capital markets and corporate restructuring. Mr. Mitsuhiro Hasegawa has served in key positions as a prosecutor and possesses practical experience and deep insights regarding the maintenance of market discipline, securing the reliability of financial reporting, and verifying internal controls, having served as Chairperson of the Securities and Exchange Surveillance Commission. Mr. Takeshi Yamazaki served as a Full-time Audit and Supervisory Board Member at his previous position and possesses high-level expertise and extensive experience, including leading the establishment and operation of practical corporate audit systems. Mr. Hiroshi Yoshii has a career of holding important positions at the Ministry of Finance and possesses a considerable degree of knowledge concerning finance and accounting. All five Audit and Supervisory Committee Members are outside directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

The outside directors who are Audit and Supervisory Committee Members audit and oversee NIDEC's management from an objective and neutral standpoint based on their respective expertise and experience in the area of financial accounting and law. The Company appoints outside directors, who are Audit and Supervisory Committee Members by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. These members enhance the audit and supervisory function of the Company to improve its management's transparency and objectivity. The Company has notified the TSE that 5 outside directors, who are Audit and Supervisory Committee Members, are independent officers.

- (Notes) 1. At the Regular General Meeting of Shareholders held on June 18, 2026, Mr. Takeshi Yamazaki was elected and assumed office as an Outside Director (Full-time Audit and Supervisory Committee Member), and Mr. Hideki Amano, Ms. Misawa Kishinami, and Mr. Mitsuhiro Hasegawa were elected and assumed office as Outside Directors (Part-time Audit and Supervisory Committee Members).
2. Mr. Hiroyuki Ochiai, who served as Inside Director (Full-time Audit and Supervisory Committee Member), and Ms. Aya Yamada and Mr. Kunio Umeda, who served as Outside Directors (Part-time Audit and Supervisory Committee Members), retired as Directors (Audit and Supervisory Committee Members) as of June 18, 2026, while Ms. Hiroe Toyoshima, who served as Outside Director (Part-time Audit and Supervisory Committee Member), resigned from her position.

(ii) Status of the Audit and Supervisory Committee

The Company holds meetings of the Audit and Supervisory Committee once a month in principle, and as needed. In the current fiscal year, the Company holds meetings of the Audit and Supervisory Committee totally 24 times, and the attendance status of each Audit and Supervisory Committee Members as follows.

| Category                                                | Name            | Number of times held | Number of times attended |
|---------------------------------------------------------|-----------------|----------------------|--------------------------|
| Full-time Member of the Audit and Supervisory Committee | Hiroyuki Ochiai | 24                   | 24                       |
| Member of the Audit and Supervisory Committee           | Aya Yamada      | 24                   | 22                       |
| Member of the Audit and Supervisory Committee           | Hiroe Toyoshima | 24                   | 24                       |
| Member of the Audit and Supervisory Committee           | Kunio Umeda     | 24                   | 23                       |
| Full-time Member of the Audit and Supervisory Committee | Hiroshi Yoshii  | 17                   | 17                       |
| Full-time Member of the Audit and Supervisory Committee | Kazuya Murakami | 7                    | 7                        |

(Notes) 1. The difference in the number of times held is due to the difference in the timing of appointment.

2. Mr. Hiroshi Yoshii was newly elected as Outside Director (Audit and Supervisory Committee Member) at the Regular General Meeting of Shareholders held on June 20, 2025, and assumed office.
3. Mr. Kazuya Murakami, who served as Director (Full-time Audit and Supervisory Committee Member), retired from his position as Director (Audit and Supervisory Committee Member) effective June 20, 2025.
4. At the Regular General Meeting of Shareholders held on June 18, 2026, Mr. Takeshi Yamazaki was elected and assumed office as an Outside Director (Full-time Audit and Supervisory Committee Member), and Mr. Hideki Amano, Ms. Misawa Kishinami, and Mr. Mitsuhiro Hasegawa were elected and assumed office as Outside Directors (Part-time Audit and Supervisory Committee Members).
5. Mr. Hiroyuki Ochiai, who served as Inside Director (Full-time Audit and Supervisory Committee Member), and Ms. Aya Yamada and Mr. Kunio Umeda, who served as Outside Directors (Part-time Audit and Supervisory Committee Members), retired as Directors (Audit and Supervisory Committee Members) as of June 18, 2026, while Ms. Hiroe Toyoshima, who served as Outside Director (Part-time Audit and Supervisory Committee Member), resigned from her position.

The activities of the Audit and Supervisory Committee are outlined below

|                         |                                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Matters to be resolved  | Preparation of the audit plan                                                                                                |
|                         | Selection of Full-time Audit and Supervisory Committee Members and Chairman                                                  |
|                         | Election, remuneration and others of Directors, etc. (Decision not to state opinions at the General Meeting of Shareholders) |
|                         | Consent to election of Directors who are Audit and Supervisory Committee Members                                             |
|                         | Preparation of audit reports                                                                                                 |
|                         | Decision on reappointment of the Accounting Auditor, consent to the amount of audit fees, etc.                               |
| Matters to be reported  | Interview with Executive Officers such as the Representative Director and President                                          |
|                         | Audit and review report by the Accounting Auditor                                                                            |
|                         | Report of plan and result for internal audit (accounting audit and internal control audit)                                   |
|                         | Report on status of compliance promotion and whistleblowing, etc.                                                            |
|                         | Report on the calculation table for distributable amount, etc.                                                               |
| Matters to be discussed | Remuneration for Audit and Supervisory Committee Members                                                                     |

Specific details of activities by the Audit and Supervisory Committee are as follows.

The Audit and Supervisory Committee Members review the proposals of meetings of the board of directors together with other Outside Directors who are not Audit and Supervisory Committee Members. In addition, all Audit and Supervisory Committee Members attend them to ensure that decisions are made based on sufficient discussions.

The Audit and Supervisory Committee conducts direct interviews with Executive Officers such as the Representative Director and President. Full-time Audit and Supervisory Committee Members attend important meetings such as the Monthly Executive Meeting, and inspect important documents for approval and other key records. In addition, the Company audits the status of business execution, etc. by means such as interviews with Directors, Executive Officers and key employees of the Company and its subsidiaries. The results are reported to the Audit and Supervisory Committee, and important issues related to business risks are reported to the Board of Directors as necessary.

The Audit and Supervisory Committee shares information and exchanges opinions with the Corporate Administration & Internal Audit Department and the Accounting Auditor. The Full-time Audit and Supervisory Committee Members exchange audit information on a monthly basis with the Corporate Administration & Internal Audit Department, which is in charge of internal audit. The Corporate Administration & Internal Audit Department also requests the Audit and Supervisory Committee to report regularly and as needed.

The Audit and Supervisory Committee holds meetings with the Accounting Auditor as necessary, in addition to regular quarterly meetings, to exchange information and opinions on audit and review results, audit system, audit plan, audit implementation status, etc. During the current fiscal year, as disclosed in the "Notice Concerning Change of Filing Date of the Securities Report" dated June 18, 2025, trade transaction-related issues were discovered at FIR Inc., a consolidated subsidiary of the Company. Subsequently, on September 3 of the same year, the Company established a Third-Party Committee following the emergence of suspicions regarding inappropriate accounting, which were independent of the issues at FIR Inc. Furthermore, on October 28 of the same year, the Company's stock was designated as a "Security under Special Vigilance." In response to this, the Company submitted an "Improvement Plan and Status Report" to the Tokyo Stock Exchange on January 28, 2026, aimed at the lifting of the "Security under Special Vigilance" designation. Furthermore, on February 27 of the same year, the Company received an investigation report from the Third-Party Committee. In response to this series of events, the Audit and Supervisory Committee has received detailed reports from management as needed, as well as regular updates on the status of the audit from the Accounting Auditor, while maintaining close and continuous communication with both management and the Accounting Auditor on a daily basis. Cooperation between the Audit and Supervisory Committee and the Accounting Auditor is as follows.

#### Cooperation with Accounting Auditor

|                                                 |                                                                                                                 |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Reports on Audit Progress and Interim Reviews   | May, August, September, November 2025, January, February, March, April, May, June, July, August, September 2026 |
| Explanation of the audit plan and other matters | August, November 2025, April, May, July 2026                                                                    |
| Discussions related to KAM (Key Audit Matters)  | April, July, August, September 2026                                                                             |

Of these information, with respect to KAM (key audit matters), The Audit and Supervisory Committee, from the selection phase, had intensive discussions with its Accounting Auditor, and, as necessary, requested an explanation from, and exchanged opinions with, the Accounting Auditor, as described in the document. The Audit and Supervisory Committee received detailed explanation from, and had question-and-answer sessions with, its administrative departments and Accounting Auditor.

The Audit and Supervisory Committee has been checking whether the independence of the Accounting Auditor is secured when judging the appropriateness of the methods and results of audits conducted by the Accounting Auditor. In particular, since January 2023, in cases where the Company and its subsidiaries receive non-assurance services from the Accounting Auditor or its network firm, the Company has implemented a procedure whereby the Accounting Auditor first judges that there is no problem with its independence before agreeing to the provision of such services, and then the Audit and Supervisory Committee gives consent on an individual basis.

In addition to the above, the Audit and Supervisory Committee reviews the election and remuneration of Directors who are not Audit and Supervisory Committee Members, etc., including confirmation of discussions at the Nomination Committee and the Remuneration Committee, which are advisory bodies to the Board of Directors, and determines its opinion.

## 2) Status of the Internal Audit

### (i) Internal audit organization, personnel and procedures

The Company's Corporate Administrative & Internal Audit Department, which is made up of 36 members, conducts internal audit based on an audit plan. Also the Company's Corporate Administration & Internal Audit Department conducts internal audit on the Company and other NIDEC Group companies to give instructions, support and advice for the improvement of business procedures, and, as necessary, reports and explains to the Company's management and at various meetings and other forums. the issues and problems identified in relation to internal control and other matters to ensure that all departments concerned will improve those matters.

(ii) Mutual cooperation among internal audit, audit by the Audit and Supervisory Committee, and accounting audit

The Company's Corporate Administration & Internal Audit Department holds a meeting with the Company's Audit and Supervisory Committee on a regular basis, to report the results of internal audit on NIDEC group. If necessary, the Corporate Administrative & Internal Audit Department exchanges opinions and information with the Audit and Supervisory Committee and conducts onsite audits in accordance with requests from the Audit and Supervisory Committee. Also, the Corporate Administration & Internal Audit Department receives reports of audit results from the Accounting Auditor, exchanges opinions with them and is advised for improvement by them. In addition, from the perspective of enhancing the Third Line, in April 2026, the Company established a Three-Way Audit Liaison Committee comprising the Accounting Auditor, the Administration & Internal Audit Department, and the Audit and Supervisory Committee, striving to strengthen collaboration among them.

(iii) Measures to ensure the effectiveness of internal audit

As described in 1) and 2) above, the Corporate Administration & Internal Audit Department, which is in charge of internal audit, ensures that it is independent in terms of organizational structure and actual operations. It also directly reports on the results of audits to the Representative Director and President and the Audit and Supervisory Committee, etc. thereby ensuring the reliability and effectiveness of internal audit.

3) Status of the audit by the Accounting Auditor

(i) Name of Auditor

The Company has an auditing agreement with PricewaterhouseCoopers Japan LLC to conduct audits required under the Companies Act and the Financial Instruments and Exchange Act. PricewaterhouseCoopers Japan LLC conducts the financial statement audits from a standpoint of an independent third party. The Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

(ii) Continuous audit period

41 years

(Note) The above-mentioned period is the result of an investigation based on the time when the Company was listed on the stock because the investigation was extremely difficult, and the continuous audit period may exceed this period.

(iii) Certificated public accountants who executed audits

|                                      |                   |
|--------------------------------------|-------------------|
| Designated Limited liability Partner | Yoshihisa Chiyoda |
| Designated Limited liability Partner | Yuichiro Amano    |
| Designated Limited liability Partner | Toshio Soeno      |
| Designated Limited liability Partner | Makoto Shimizuike |

(iv) Assistants in auditing operations

234 CPAs and 501 others

(v) Reason and assessment for selection of Auditor

The reappointment of the Accounting Auditor is appropriately decided at the Audit and Supervisory Committee meeting, after collecting information from the Company's Finance Department, and Accounting Department, Corporate Administrative & Internal Audit Department and the Accounting Auditor. The Audit and Supervisory Committee confirmed that the audit system is well established based on the Standard on Quality Control for Audits and the audit was suitably conducted.

(vi) Evaluation contents of the auditor of the submitting company conducted by the Audit and Supervisory Committee

The Audit and Supervisory Committee considers the necessity of reappointment based on the status of quality control of auditor, the independence and expertise of the auditing team, the appropriateness of audit fees, the status of communication with the Members of the Audit and Supervisory Committee and management, the system of group auditors, and others. If the accounting auditors fall under any of the items of Article 340, Paragraph 1 of the Companies Act in Japan and it is deemed appropriate to

dismiss the accounting auditor, the Audit and Supervisory Committee shall dismiss the accounting auditor with the consent of all members of the Audit and Supervisory Committee. In the event that it is deemed that there has been a cause that hinders the accounting auditors from performing an appropriate audit, the Audit and Supervisory Committee shall determine the content of a proposal to be submitted to the General Meeting of Shareholders for the dismissal or non-reappointment of the accounting auditors. Based on the above, the Audit and Supervisory Committee has evaluated that there have been no problems with the execution of the duties of the accounting auditors for the current fiscal year and decided to reappoint them. In addition, the Accounting Auditor for the relevant fiscal year renewed its audit team structure following the receipt of the Third-Party Committee's investigation report on February 27, 2026, replacing all but one of its engagement partners.

4) Audit fee, etc.

(i) Details of fees paid to the accounting auditor involved in the audit

| Category                                | For the year ended March 31,                    |                                                     |                                                 |                                                     |
|-----------------------------------------|-------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
|                                         | 2025                                            |                                                     | 2026                                            |                                                     |
|                                         | Audit fees for audit services (Yen in millions) | Audit fees for non-audit services (Yen in millions) | Audit fees for audit services (Yen in millions) | Audit fees for non-audit services (Yen in millions) |
| The Company                             | 558                                             | 0                                                   | 5,906                                           | -                                                   |
| The Company's consolidated subsidiaries | 419                                             | 0                                                   | 1,731                                           | -                                                   |
| Total                                   | 977                                             | 0                                                   | 7,637                                           | -                                                   |

(For the fiscal year ended March 31, 2025)

The Company consigns and pays consideration to the accounting auditor for personal income tax related business in Taiwan, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.

(For the fiscal year ended March 31, 2026)

Audit fees for non-audit services are not applicable.

(ii) Details of fees paid to the member firms of PricewaterhouseCoopers International Limited, which belong to the same network as the Company's accounting auditor

| Category                                | For the year ended March 31,                    |                                                     |                                                 |                                                     |
|-----------------------------------------|-------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|
|                                         | 2025                                            |                                                     | 2026                                            |                                                     |
|                                         | Audit fees for audit services (Yen in millions) | Audit fees for non-audit services (Yen in millions) | Audit fees for audit services (Yen in millions) | Audit fees for non-audit services (Yen in millions) |
| The Company                             | 6                                               | -                                                   | 5,852                                           | 1                                                   |
| The Company's consolidated subsidiaries | 1,701                                           | 149                                                 | 3,534                                           | 242                                                 |
| Total                                   | 1,707                                           | 149                                                 | 9,386                                           | 243                                                 |

(For the fiscal year ended March 31, 2025)

Audit fees for non-audit services for the Company's consolidated subsidiaries include tax-related work, etc.

(For the fiscal year ended March 31, 2026)

Audit fees for non-audit services for the Company include tax-related work.

Audit fees for non-audit services for the Company's consolidated subsidiaries include tax-related work, etc.

(iii) Policy for determining the audit fee

In determination of audit fees, factors such as the validity of the auditing plans are verified.

(iv) Reason for Accepting Audit fee by the Audit & Supervisory Committee

The Audit and Supervisory Committee has confirmed the calculation basis for the estimated audit fees based on the audit plan, status of audit implementation, and required man-hours and personnel allocation for the current fiscal year's audit plan. The Audit and Supervisory Committee recognized the fee as reasonable, considering the required volume of audit work amid deficiencies in internal control, as the relationship between auditing services and audit fees is detailed and clear. Accordingly, the Audit and Supervisory Committee has approved the audit fee according to Article 399, Paragraph 1 of the Companies Act of Japan.

(4) Remuneration etc., for the Members of the Board of Directors

1) Matters concerning the policy to determine the amounts of executives' remuneration or the way to calculate such amounts, and the process to determine the amounts

(i) Policy to make decisions on executive remuneration and the process to determine its amounts

(a) Basic policy

The Company's remuneration for Members of the Board of Directors shall be determined based on the following policy with the aim of strengthening global competitiveness and the sustainable growth of its business.

- Motivate the executives to improve the Company's value
- Contribute to securing talented managerial human resources
- Ensure that the amount of such remuneration is proper based on the Company's scale and area of business
- Not to induce excessive risk-taking

(b) Outline of remuneration composition

<Members of the Board of Directors (excluding outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members)>

From FY2026, the remuneration for Members of the Board of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members) will consist of (i) annual base salary, (ii) short-term incentives, and (iii) medium- to long-term incentives.

A. Annual base salary is determined individually by comprehensively considering the role of the position, the magnitude of responsibilities, the degree of contribution to corporate performance, retention risk, etc., in accordance with the compensation range determined by the Board of Directors based on the advice of the Remuneration Committee with reference to market standards.

B. Short-term incentives shall be based on the amount calculated by multiplying the annual basic salary by a coefficient determined by the Board of Directors based on the recommendation of the Remuneration Committee, with the actual payment amount varying according.

| Short-term Incentive        |                        |                      |   |                                                   |
|-----------------------------|------------------------|----------------------|---|---------------------------------------------------|
| Financial Indicators (0-2x) |                        |                      | × | Non-financial indicators (0-1.5x)                 |
| Sales revenue (30%)         | Operating profit (30%) | Free cash flow (40%) |   | Status of Special alert designation of Securities |

C. Mid- to long-term incentives are provided as performance-linked stock compensation, with a target period of three consecutive fiscal years. Points are granted that vary within a range of 0 (no payment) to 2 times according to position and the degree of achievement of annual consolidated sales and consolidated operating income targets, as well as the number of issues achieving targets in ESG evaluations. After the target period elapses, the Company delivers shares and provides cash payments equivalent to the proceeds from the sale of Company shares, calculated based on the cumulative value of the granted points (1 point = 1 share).

| Medium- to long-term incentives |                        |                      |
|---------------------------------|------------------------|----------------------|
| Sales revenue (45%)             | Operating profit (45%) | ESG evaluation (10%) |

In the case of the Representative Director, President and Executive Officer, the ratio of (i)Annual base salary, (ii)Short-term incentives, and (iii) Medium - to long-term incentives is approximately "5:3:1.5".

Until FY2025, the compensation for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members) consisted of (i)Annual base salary according to position, (ii)Short-term incentives, and (iii)Medium- to long-term incentives. Short-term incentives were determined by taking into account the degree of achievement of the annual consolidated sales and consolidated operating profit plans, as well as the performance of executives, and varied within a range from 0 (no payment) to twice the median value of variable compensation (50% of fixed compensation).

<Outside Members of the Board of Directors(excluding Members of the Board of Directors who are Audit and Supervisory Committee Members)>

To ensure their independence, remuneration for Outside Members of the Board of Directors (excluding Directors who are Audit and Supervisory Committee Members) consists solely of fixed compensation, paid on a monthly basis. However, additional allowances, such as chairperson allowances and committee member allowances, are paid depending on the responsibilities of each Director, such as serving as a chairperson or a member of a voluntary committee.

<Members of the Board of Directors who are Audit and Supervisory Committee Members>

To ensure their independence, remuneration for Members of the Directors who are Audit and Supervisory Committee Members (including Outside Directors) consists solely of fixed compensation, and individual remuneration, etc. is determined through consultation among Directors who are Audit and Supervisory Committee Members, in accordance with the provisions of Article 361, Paragraph 3 of the Companies Act.

#### (c) Process of determining remuneration

The Board of Directors shall determine the amount of Annual base salary and Short-term incentives for each Member of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members) in accordance with the criteria stipulated in the above policy and based on the recommendations of the Remuneration Committee, which is a voluntary advisory body. In addition, the Board of Directors shall similarly determine the content of Medium - to long-term incentives in view of the recommendations of the Remuneration Committee.

#### (d) Forfeiture of remuneration (clawback and malus)

Annual base salary and Short-term incentives may be reduced with the consent of the relevant person if he or she has caused serious damage to the Company.

In addition, if a person eligible for Medium - to long-term incentives commits a serious violation of his or her duties or internal rules or other misconduct after the beneficiary right vesting date, the Company may seek compensation from that person.

### 2) Details of the performance-linked share-based remuneration plan

Based on a resolution passed at the 45th Regular General Meeting of Shareholders held on June 20, 2018, our group introduced a performance-linked share-based remuneration plan (the "Plan"). This Plan was partially revised in the 51st Regular General Meeting of Shareholders held on June 18, 2024. The plan is for the Company's Members of Directors (excluding outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors, and are collectively referred to

as the “Eligible Board Members”). the Plan has been modified for remuneration to fluctuate based on the degree of achieving each fiscal year’s consolidated net sales, operating profit targets and the number of ESG certifications that have achieved their goals in major ESG ratings (namely MSCI, FTSE, and CDP) .

based on the following method, the amount of each remuneration is finalized after calculating the number of units (shares) to be provided to the Eligible Board Members under the Plan for three consecutive fiscal years (which are from the fiscal year ending in March 2025 to the one ending in March 2027, or which, if the trust period is extended, are three fiscal years thereafter, hereinafter referred to as the "Applicable Period"). In principle, the number of shares that correspond to the number of accumulated units will be issued to the Eligible Board Members under the Plan in the month of July after the Applicable Period ends. In principle, shares are issued to 50% of the shares that correspond to the units (rounded down to the nearest whole trading unit), whereas money are provided for the rest, from the aspect of securing funds for tax payment.

The Company also adopts a similar share-based payment plan for certain other executives of the Company.

#### <Metrics related to performance-linked share-based remuneration>

##### (i) Metrics and weightings to be used to link base units to performance

| Metric to be used             | Weighting | FY2024 Target     | FY2024 Result     | FY2025 Target     | FY2025 Result     |
|-------------------------------|-----------|-------------------|-------------------|-------------------|-------------------|
|                               |           |                   | (Restated)        |                   | (Restated)        |
| Consolidated net sales        | 45%       | ¥ 2.4500 trillion | ¥ 2.6063 trillion | ¥ 2.6000 trillion | ¥ 2.7087 trillion |
| Consolidated operating profit | 45%       | ¥ 260.0 billion   | ¥ 128.2billion    | ¥ 260.0 billion   | ¥ (519.0 )billion |

(Note)

- Figures shown in yen are rounded down.
- The targets for performance-linked share-based remuneration evaluation metrics for the fiscal year under review are based on the full-year consolidated earnings forecasts announced on April 24, 2025.
- The evaluation, issuance, and payment of performance-linked share-based remuneration for the fiscal year under review are scheduled to be carefully and appropriately considered by the Remuneration Committee and the Board of Directors, taking into account the details of accounting corrections for prior fiscal years, the findings of the Special Investigation Committee on Executive Responsibility, and other relevant factors. Consequently, as of the filing date of this Annual Securities Report, the final number of shares to be issued and the payments based on the finalized evaluations for the fiscal year under review have not been determined.

| Metric to be used | Weighting | Target                                                                             | Result                |                                 |
|-------------------|-----------|------------------------------------------------------------------------------------|-----------------------|---------------------------------|
|                   |           |                                                                                    | FY2024                | FY2025                          |
| ESG Certification | 10%       | Determined based on the ESG rating or score of the Company by MSCI, FTSE, and CDP. | 1 certification (CDP) | 2 certifications (FTSE and CDP) |

##### (ii) Reasons for the metrics to have been selected

The Company sees the consolidated sales, consolidated operating profit, and ESG certification as an index to improve its corporate value on a mid- to long-term basis.

##### (iii) How the amounts of the remuneration are determined

Based on the degree of achievement against the aforementioned index, the Company multiplies the base units provided to eligible Members of the Board of Directors and others in accordance with their job grades by a performance-linked coefficient (0 – 200%), to calculate the number of performance-linked units, which are given to the Members and accumulated annually. In principle, the number of shares that are equivalent to that of the accumulated units will be issued to the Eligible Members of the Board of Directors and others in July, after the end of the applicable period. However, this rule will not apply to, among cases, someone who has become a non-resident or deceased during an applicable period, or who has retired from office at the expiration of his/her term of office.

3) Reason why the Board of Directors determined that the content of individual remuneration, etc. for Members of the Board of Directors who are not Audit and Supervisory Committee Members for the fiscal year is in line with the determination policy

As the content of individual remuneration, etc. for Members of the Board of Directors was deliberated and determined by the Board of Directors with full regard for the recommendations of the Remuneration Committee, based on the committee's comprehensive consideration of the original proposal, including its consistency with the determination policy, the Company believes that the content is in line with the determination policy.

2) Committee that is involved in the determination of the policy to determine the amounts of executive remuneration, etc. or their calculation method

(i) Name of the committee: The Remuneration Committee

(ii) Main issues discussed in the Remuneration Committee

The committee were held in May and June 2025, and January, February, and March 2026, where the following matters were discussed.

- Compensation system and policy for determining compensation for Directors (excluding Audit and Supervisory Committee Members) and Executive Officers, etc.
- Details of compensation for Directors (excluding Audit and Supervisory Committee Members) and Executive Officers.

3) Date of the General Meeting of Shareholders resolved the amount of remuneration, etc., for Members of the Board of Directors, and the details of the resolution

(i) Members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

| Type of remuneration | Date of resolution | Recipient                                                                                                                                                                                                                                       | Upper limit                                                                                                | Number of those in attendance at the time of the resolution       |
|----------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Share-based          | June 18, 2024      | Members of the Board of Directors who are not Audit and Supervisory Committee Members (excluding Founder and Chairman of the Board (at that time) and outside Members of the Board of Directors), Vice Presidents, and those of equal positions | The upper limit of the three fiscal years, which are the initial period, is ¥2,730 million, 735,000 shares | Members of the Board of Directors: 2<br>Vice Presidents, etc.: 27 |
| Cash                 | June 18, 2026      | Members of the Board of Directors who are not Audit and Supervisory Committee Members                                                                                                                                                           | ¥850 million per year (including ¥200 million per year for outside Members of the Board of Directors)      | 8                                                                 |

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

(ii) Members of the Board of Directors who are Audit and Supervisory Committee Members

| Type of remuneration | Date of resolution | Recipient                                                                         | Upper limit           | Number of those in attendance at the time of the resolution |
|----------------------|--------------------|-----------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------|
| Cash                 | June 18, 2026      | Members of the Board of Directors who are Audit and Supervisory Committee Members | ¥250 million per year | 5                                                           |

4) The total amount of remuneration, etc., by officer category, the total amount of remuneration, etc., by type, and the number of persons are as follows:

| Category                                                                                                                               | Total amount of remuneration, etc.<br>(Yen in millions) | Total amount of remuneration, etc. by type<br>(Yen in millions) |                       |                                              | Number of persons |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------|-----------------------|----------------------------------------------|-------------------|
|                                                                                                                                        |                                                         | Cash                                                            |                       | Share-based                                  |                   |
|                                                                                                                                        |                                                         | Fixed remuneration                                              | Variable remuneration | Performance -linked share-based remuneration |                   |
| Members of the Board of Directors<br>(excluding Audit and Supervisory Committee Members and outside Members of the Board of Directors) | 225                                                     | 166                                                             | 32                    | 27                                           | 3                 |
| Audit and Supervisory Committee Members<br>(excluding outside Members of the Board of Directors)                                       | 25                                                      | 25                                                              | -                     | —                                            | 2                 |
| Outside Members of the Board of Directors and outside Members of the Audit & Supervisory Committee                                     | 73                                                      | 73                                                              | -                     | —                                            | 7                 |

(Notes)

1. Cash remuneration consists of Annual base salary and Short-term incentives.

2. The remuneration paid in the fiscal year under review was determined based on the previous executive remuneration plan.

Annual base salary was determined based on position, and Short-term incentives was determined taking into consideration the degree of achievement of the targets for consolidated net sales and consolidated operating profit for fiscal 2024, as well as the performance of each executive. The Company will take necessary legal actions in consistency with the conclusions of the Executive Responsibility Investigation Committee, the establishment of which was resolved at the meetings of the Board of Directors and the Audit and Supervisory Committee held on March 13, 2026.

3. Independent Outside Directors receive only Fixed remuneration to ensure their independence.

4. The above includes the following Directors who retired or resigned during the fiscal year under review:

-Kazuya Murakami, who retired at the conclusion of the 52nd Regular General Meeting of Shareholders held on June 20, 2025.

-Shigenobu Nagamori, who resigned on December 19, 2025.

-Hiroshi Kobe, who resigned on March 3, 2026.

5. The seven Directors (Hiroyuki Ochiai, Shinichi Sato, Yayoi Komatsu, Takako Sakai, Aya Yamada, Hiroe Toyoshima, and Kunio Umeda) who retired at the 53rd Regular General Meeting of Shareholders held on June 18, 2026, and Mitsuya Kishida who resigned on September 29, 2026, were in office as of the end of the fiscal year under review, and are therefore included in the "Number of eligible directors" in the table above.

6. Introduction of the performance-linked share-based compensation plan for Members of the Board of Directors, etc. was resolved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. The aforementioned amounts are the amounts recorded as expenses in this fiscal year based on Japanese GAAP. Outside Members of the Board of Directors are not eligible for this plan.

7. The above amount for performance-linked share-based remuneration includes provisions recorded for the executives subject to investigation by the Executive Responsibility Investigation Committee. The specific payment of such remuneration and its details will be carefully considered and determined in the future, based on the findings of the Committee and the Company's decisions based thereon; therefore, the payment has not been finalized at this time.

## (5) Status of shares held

### 1) Framework and way of thinking for category about investment shares

We specify the separation about shares for investment held for any purpose pure investment or other than pure investment as follows.

#### (Purpose for pure investment)

Shares for investment held for any purpose to gain the benefits by occurring capital gain from stock price fluctuations and receiving dividend income solely

#### (Purpose other than pure investment)

Shares for investment held for any purpose other than pure investment out of investment securities recorded on the balance sheet

### 2) Shares for investment held for any purpose other than pure investment

#### (i) Our way to assess holding policy and economic rationality, contents that were assessed share holding appropriateness about each share at Board of Directors meeting

##### Basic policy for cross-shareholding

NIDEC holds shares in the companies that NIDEC has relationships with in terms of trading and cooperation in its business or other areas when it judges the shareholding contributes to the company's corporate value expansion through stabilizing its business for a mid to-long-term perspectives by maintaining and strengthening the relationship with them. NIDEC assesses its cross-held shares individually at the Board of Directors every year on not only qualitative aspect such as purposes of the shareholding, but also, on quantitative aspect such as benefits that can be brought through the shareholding from the perspective of economic rationality. According to the results of the assessment, NIDEC intends to reduce the number of shares held if the cross-shareholding would make insignificant benefits.

#### (ii) Number of issuer and carrying value

|                            | Number of issuer | Total carrying value<br>(Yen in millions) |
|----------------------------|------------------|-------------------------------------------|
| Unlisted shares            | 7                | 1,519                                     |
| Other than unlisted shares | 15               | 24,727                                    |

#### (Issuers of increased shares within current fiscal year)

|                            | Number of issuer | Total acquisition cost of increased shares<br>(Yen in millions) | Reasons for increase in number of shares held |
|----------------------------|------------------|-----------------------------------------------------------------|-----------------------------------------------|
| Unlisted shares            | -                | -                                                               | -                                             |
| Other than unlisted shares | -                | -                                                               | -                                             |

#### (Issuers of decreased shares within current fiscal year)

|                            | Number of issuer | Total selling value of decreased shares<br>(Yen in millions) |
|----------------------------|------------------|--------------------------------------------------------------|
| Unlisted shares            | -                | -                                                            |
| Other than unlisted shares | -                | -                                                            |

(iii) Issuer, number of shares held, carrying value and purposes for ownership of the shares for investment held for any purpose other than pure investment

| Issuer                               | Current fiscal year              | Previous fiscal year             | Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares                                                                                                                                                                         | Owned by another company (Yes / No) |
|--------------------------------------|----------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
|                                      |                                  | (Restated)                       |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                      | Number of shares held            | Number of shares held            |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                      | Carrying value (Yen in millions) | Carrying value (Yen in millions) |                                                                                                                                                                                                                                                                                                                  |                                     |
| Kyoto Financial Group, Inc.          | 822,624                          | 822,624                          | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                      | 3,341                            | 1,872                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| Mitsubishi UFJ Financial Group, Inc. | 1,251,129                        | 1,251,129                        | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                      | 3,253                            | 2,516                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| Brother Industries, Ltd.             | 1,120,300                        | 1,120,300                        | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                      | 3,218                            | 3,018                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| The Shiga bank, Ltd.                 | 318,488                          | 318,488                          | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                      | 2,967                            | 1,675                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| ROHM Co., Ltd.                       | 914,400                          | 914,400                          | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                      | 2,792                            | 1,306                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| HORIBA, Ltd.                         | 124,500                          | 124,500                          | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                      | 2,224                            | 1,238                            |                                                                                                                                                                                                                                                                                                                  |                                     |

| Issuer                                | Current fiscal year              | Previous fiscal year             | Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares                                                                                                                                                                         | Owned by another company (Yes / No) |
|---------------------------------------|----------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
|                                       |                                  | (Restated)                       |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                       | Number of shares held            | Number of shares held            |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                       | Carrying value (Yen in millions) | Carrying value (Yen in millions) |                                                                                                                                                                                                                                                                                                                  |                                     |
| SCREEN Holdings Co., Ltd.             | 115,200                          | 115,200                          | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                       | 2,060                            | 1,105                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| NICHICON Corporation                  | 1,184,600                        | 1,184,600                        | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                       | 2,032                            | 1,450                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| KYOCERA Corporation                   | 702,400                          | 702,400                          | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                       | 1,670                            | 1,177                            |                                                                                                                                                                                                                                                                                                                  |                                     |
| Hachijuni Nagano Bank, Ltd.           | 256,439                          | 256,439                          | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                       | 494                              | 271                              |                                                                                                                                                                                                                                                                                                                  |                                     |
| Sumitomo Mitsui Financial Group, Inc. | 94,449                           | 94,449                           | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                       | 473                              | 358                              |                                                                                                                                                                                                                                                                                                                  |                                     |
| The Fukui Bank, Ltd.                  | 42,100                           | 42,100                           | -Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year     | Yes                                 |
|                                       | 135                              | 76                               |                                                                                                                                                                                                                                                                                                                  |                                     |

| Issuer                           | Current fiscal year              | Previous fiscal year             | Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares                                                                                                                                                                         | Owned by another company (Yes / No) |
|----------------------------------|----------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
|                                  |                                  | (Restated)                       |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                  | Number of shares held            | Number of shares held            |                                                                                                                                                                                                                                                                                                                  |                                     |
|                                  | Carrying value (Yen in millions) | Carrying value (Yen in millions) |                                                                                                                                                                                                                                                                                                                  |                                     |
| Nissha Printing Co., Ltd.        | 56,300                           | 56,300                           | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                  | 68                               | 77                               |                                                                                                                                                                                                                                                                                                                  |                                     |
| NAGANO KEIKI Co., Ltd.           | 665                              | 665                              | -Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship<br>-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year | Yes                                 |
|                                  | 2                                | 1                                |                                                                                                                                                                                                                                                                                                                  |                                     |
| Makino Milling Machine Co., Ltd. | 100                              | 100                              | -Holding shares from the perspective of ensuring the possibility of exercising shareholder rights, such as requesting to view shareholder register.                                                                                                                                                              | No                                  |
|                                  | 1                                | 1                                |                                                                                                                                                                                                                                                                                                                  |                                     |

3) Shares for investment held for pure investment purposes

| Classification             | Current fiscal year |                                        | Previous fiscal year |                                        |
|----------------------------|---------------------|----------------------------------------|----------------------|----------------------------------------|
|                            |                     |                                        | (Restated)           |                                        |
|                            | Number of issuer    | Total carrying value (Yen in millions) | Number of issuer     | Total carrying value (Yen in millions) |
| Unlisted shares            | -                   | -                                      | -                    | -                                      |
| Other than unlisted shares | -                   | -                                      | -                    | -                                      |

| Classification             | Current fiscal year                                  |                                                            |                                                              |
|----------------------------|------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
|                            | Total amount of dividends received (Yen in millions) | Total amount of gains and losses on sale (Yen in millions) | Total amount of valuation gains and losses (Yen in millions) |
| Unlisted shares            | -                                                    | -                                                          | -                                                            |
| Other than unlisted shares | -                                                    | -                                                          | -                                                            |

4) The shares whose purpose was changed from pure investment to any other investment than pure investment during the current fiscal year  
Not applicable.

5) The shares whose purpose was changed from other investment than pure investment to pure investment during the current fiscal year and the past four fiscal year  
Not applicable.

## 5. Employees

### (1) Basic Policy on Human Resources Strategy

#### 1) Human Resources Strategy.

We see human capital as a cornerstone of our growth strategies for the Group's second founding period. In response to the series of events that occurred in improper accounting practices and trade-related issue within the Group, including several consolidated subsidiaries in Japan and overseas, in the past fiscal year, we announced the Re-Definition Declaration and are focusing on "strengthening governance," "human resources development," and "corporate culture reform" in promoting corporate reform.

(Note)

The following indicators related to human capital are the figures of Nidec Corporation (as of the end of March 2026) unless otherwise stated. Figures are rounded to one decimal place.

Please note that certain indicators previously disclosed will be published on our website and other media as soon as practicable. Furthermore, target values for the fiscal year ending March 31, 2027 and subsequent fiscal years are currently under review, taking into consideration synergies with our business strategy.

#### <Strengthening Governance>

In order to build a solid foundation for human capital management and to strengthen the supervision and execution system of executives, we will fundamentally review the functions and effectiveness of the Nominating Committee and the Remuneration Committee in conjunction with the renewal of the composition of the Board of Directors and promote globally uniform, fair and highly transparent executive officer governance.

##### (i) Review of the Composition of the Board of Directors

We have completely revamped the composition of the Board of Directors to improve the transparency and objectivity of management and rebuild an effective supervisory system in line with the promotion of governance reforms toward corporate revitalization. (In FY2025, the composition of the new Board of Directors and its nominating process were reviewed and deliberated, and new members were elected as of June 18, 2026 at the 53rd Regular General Meeting of Shareholders.) The Company's Board of Directors consists of 12 people (10 Outside Directors and 2 Internal Directors). In order to effectively exercise the functions of the Board of Directors, the Company has appointed a variety of candidates mainly from outside human resources, including those with management experience at listed companies and accounting professionals, and has built a Board of Directors that is more independent from the executive team. The Board of Directors is composed of a balanced human resources with expertise and experience in a wide range of fields, respect for market discipline, an emphasis on dialogue with stakeholders, and a high level of corporate ethics and compliance awareness. In addition, a person with international knowledge and experience and a female director are appointed to ensure diversity including internationality and gender.

##### (ii) Enhancing the Effectiveness of the Nominating Committee and the Remuneration Committee

The Company has established the "Remuneration Committee" (from February 2021) and the "Nominating Committee" (from November 2022) as advisory bodies to the Board of Directors. Both committees are composed entirely of Independent Outside Directors. With the aim of sustainably enhancing corporate value by strengthening its global competitiveness and resolving social issues through its businesses, the Company aims to ensure fairness, transparency, and objectivity and further enhance its corporate governance system by obtaining appropriate involvement and advice from Independent Outside Directors regarding matters such as the policy on the appointment of Directors and Executive Officers, the criteria for appointment, and the decision on candidate proposals, as well as executive remuneration.

(a) The Nominating Committee deliberates on matters such as policies and standards for the appointment of Directors, Executive Officers, etc., and the succession plan of important positions including the President. In FY2025, we reviewed the positions for deliberation by the Nominating Committee and revised the criteria for the appointment and dismissal of Directors and Executive Officers. In particular, the appointment criteria was changed from the one that focused on past performance to the one that focuses on high ethical standards and compliance awareness, organizational building and leadership through the human resources development, and strategic planning and execution with an eye to the future. The scope of application has been expanded to include the Global Executives of the Company and group companies' CEOs in Japan. In the appointment process, Directors and Executive Officers were appointed after careful deliberations held multiple times by the Nominating Committee, based on interviews with the Nominating Committee members, compliance checks including disciplinary history, and diversified information such as the results of external assessments for internal candidate human resources. (as of the Regular General Meeting of Shareholders held on June 18, 2026)

(b) The Remuneration Committee deliberates on matters such as the formulation of policies for determining the compensation of officers and the design of the compensation system (the setting of performance targets, the rationality of performance-linked remuneration, the appropriateness of the compensation structure, and the amount of individual compensation based on the compensation system). In FY2025, we reviewed the positions for deliberation by the Remuneration Committee and also reviewed evaluation criteria for executive remuneration. In particular, in order to correct the overemphasis on short-term results, we have formulated a new evaluation standard that incorporates non-financial elements in addition to sales, operating profit, and free cash flows under short-term incentives (STI). We are expanding the evaluation standard as a unified global system so that it can be applied to our Global Executives and group companies' CEOs in Japan. In addition, we significantly strengthened the involvement of the Remuneration Committee in the remuneration determination process by providing timely and appropriate information on the management status of the Company and various benchmark data, etc., and ensured transparent and fair remuneration decisions for the entire Group by repeating proactive and careful deliberations.

We will further strengthen group management and governance from the perspective of Directors and Executive Officers in order to strengthen the Nidec Group's global competitiveness and to achieve sustainable growth and development.

#### <Human Resources Development>

We are expanding a multi-layered human resources development that takes advantage of diversities in order to develop human resources who will drive our sustainable growth and corporate transformation. Beyond the boundaries of regions and businesses, we are working to strengthen our human resources pipeline by identifying and developing next-generation executives candidates. We are also working to support the job-level development of all employees, mainly in Japan, to develop human resources who learn independently and continue to take on challenges, and to maximize organizational capabilities.

##### (i) Discover and Develop Next-Generation Executive Candidates

Ensuring a stable management succession and establishing a pipeline of the executives are the most important issues for achieving the Group's sustainable growth. To date, we have promoted the visualization of the key positions for the entire Group and worked on strategic early development through practical tough assignments and training opportunities for executive candidates. In FY2024, we established the Global HR Strategy Committee, where HR managers gather from across the Group beyond business and regional boundaries. Currently, it is operating as a global human resources organization, but through the efforts of this Committee, we have strongly promoted the understanding and visualization of the next-generation leader candidates throughout the Group, regardless of organization or region. As a result of these efforts, on April 1, 2025, we established the Senior General Manager system to clarify and systematically develop future executive candidates. At that time, 11 candidates, mainly from human resources who had been discovered and visualized by the Committee, were appointed to Senior General Manager. As of April 1, 2026, five of them (including three non-Japanese nationals) were promoted to Executive Officers. This series of processes has resulted in the steady promotion of a diverse, global human resources to the center of management.

Furthermore, since FY2026, under the new executive officer structure, we have been reorganizing the positioning of the Senior General Manager system while engaging in repeated discussions among Executive Officers, including those from our global operations, to identify and foster next-generation leader candidates. Through these efforts, we have initiated a process in which Executive Officers themselves actively drive the development of future leaders. Moreover, as part of our talent development programs, we have completely revised both the "Global Business School" and the executive training previously conducted independently by each business unit. By leveraging the insights and frameworks gained from these existing programs, we are establishing executive training at both global and regional levels to construct a unified, group-wide executive training system.

In the future, we will continue to operate the succession plan in a timely and appropriate manner and systematically develop and promote internal human resources, while strongly promoting the construction of a management system with diverse perspectives and advanced management capabilities.

##### (ii) Development of Next-Generation Leaders (Managers and non-Managers) (Initiatives mainly in Japan)

NIDEC believes that understanding and respecting the characteristics of each employee allows individual expertise to be demonstrated, leading to improvement of NIDEC's performance and the development of candidates for future leaders. Therefore, through various talent development initiatives, we aim to enhance employees' motivation to learn autonomously and provide a wide range of learning opportunities tailored to individual needs. We continue to focus on providing learning opportunities based on the roles according to the state of their careers, as well as development initiatives and opportunities tailored to individual learning needs.

(a) The Company conducts learning programs for managers to identify their strengths and weaknesses as leaders. Individual feedback reports created as a result of the training are shared with employees and their supervisors so that they can use them on the job.

(b) For non-Managers, the Company conducts a two-year youth development program for new graduates who have joined the Company and provides various types of learning programs to cultivate practical work performance and basic skills as businesspersons. During the period of these programs, in addition to training, specific development plans are formulated in the workplace, and efforts are made to develop talents through on-the-job training.

(c) In addition to providing various learning opportunities for each level, we also provide opportunities to promote self-reflection to motivate each individual to study through career development support (career training for managers and young employees, career plan sheets, periodic one-on-one meeting, etc.).

(d) For employees in general, we have prepared a self-development program in which individual employees can take correspondence courses of their choice (with subsidies for those who have completed the course), and we are working to promote individual capacity building and reskilling.

| Scopes | Indicators related to learning and development |               | FY2023     | FY2024     | FY2025     | FY2025 target |
|--------|------------------------------------------------|---------------|------------|------------|------------|---------------|
| Nidec  | Training hours per employee                    |               | 12.0 hours | 14.9 hours | 11.4 hours | 15 hours      |
|        |                                                |               | 1.5 days   | 1.9 days   | 1.4days    | 1.9 days      |
|        | Training cost per employee                     |               | 17,409 yen | 17,507 yen | 10,501 yen | 20,000 yen    |
|        | Career consciousness                           | All employees | 50.4%      | 52.5%      | 49.2%      | 55.0%         |
|        |                                                | Male          | 51.5%      | 52.6%      | 50.9%      | -             |
|        |                                                | Female        | 44.4%      | 52.1%      | 40.9%      | -             |

(Note)

Career consciousness: The percentage of employees who answered “yes” or “slightly yes” on a five-point scale to the question “Do you have a career plan in mind?” in the annual employee awareness survey “Organizational Performance Survey.”

#### Examples of major learning programs in FY2025

| Learning program title                    |                    | Number of participants | Learning hours per employee |
|-------------------------------------------|--------------------|------------------------|-----------------------------|
| Learning program for new employees        |                    | 52                     | 146.3 hours                 |
| Young employee development program        | New employees      | 52                     | 19.2 hours                  |
|                                           | 2nd year employees | 58                     | 16.7 hours                  |
| Education to raise the level of engineers |                    | 280                    | 5.6 hours                   |
| MOT learning program                      |                    | 15                     | 30 hours                    |
| Systems engineering learning program      |                    | 32                     | 14 hours                    |

(Notes)

1. Learning program for new employees: Switch from a student to businessperson and practice a mindset while learning the knowledge and skills necessary for businesspersons.
2. Young employee development program: A total of five training sessions and e-learning sessions are held within two years after new graduates join the Company to deepen their understanding of basic skills for a businessperson. Through these sessions, employees will be able to solve problems in the workplace, which will help them firmly establish basic skills for businesspersons.
3. Education to raise the level of engineers: In addition to motor technology by type (mechanical, magnetic, electrical/electronic, control, etc.) that is directly necessary for work, engineers aim to acquire a wide range of knowledge that will contribute to profits by improving quality, reducing costs, and developing products with shorter delivery times.

4. MOT learning program: Participants learn the concepts necessary to launch new technology-based businesses and how to formulate marketing strategies.
5. Systems engineering learning program: Participants learn design techniques and organizational management to respond to the modularization and systemization of products, and acquire techniques to lead new businesses and projects.

<Corporate Culture Transformation and Improvement of Employee Engagement>

As we push ahead with sweeping reforms toward corporate revitalization, it is essential that we completely break away from the culture of the past in which short-term profits were the top priority and in which “nothing could be said,” and rebuild a new corporate culture in which “always doing the right thing” is our top priority. As the direction of our transformation, we will review our “culture,” “systems,” and “processes” and rebuild the proper organizational structure, aiming to become a company that places top priority on “always doing the right thing.” We are implementing multifaceted measures to create an open and transparent organizational culture in which each and every employee, with a sound sense of ethics and compliance awareness, can openly express his or her opinions and raise issues without hesitation. This will lead to improved engagement between employees and the Company.

## Our Reform’s Direction and Mission

**Reform our company’s “culture,” “systems,” and “processes” to rebuild an effective system and make it our top priority to always do everything right to regain the market’s trust.**

| Area                  | Before                     | After                                               |
|-----------------------|----------------------------|-----------------------------------------------------|
| Communication         | Top-down                   | Two-way dialogue                                    |
| Corporate culture     | Downward communication     | Collaborative discussion and decision making        |
| Governance            | Concentration of authority | Transparent, organization-based monitoring          |
| Organization          | Silo-type                  | Cross-sectional, open                               |
| Motivation to work    | Excessive pressure         | Sense of reward, social significance                |
| Mood in the workplace | Feeling of confinement     | Hope                                                |
| Goal                  | Short-term “figures”       | Future to realize after achieving numerical targets |

(i) Establishment of an organization to promote corporate culture transformation and the creation of two-way communication

(a) On February 1, 2026, the Company established the “Culture Transformation Lab” (hereinafter referred to as “Lab”), a dedicated organization under the direct control of the CHRO, in order to promote strategic and agile corporate culture transformation. With the aim of fostering a culture of interactive dialogue and free and open communication with transparency, the Lab is taking the lead in various initiatives that emphasize the proactive participation of employees themselves. Specifically, we have established a system to ensure that the opinions of employees and labor union organizations are conveyed to management and promptly reflected in measures. The opinions of our employees and the status of their responses are disclosed on the company portal to ensure transparency, and we are steadily accumulating results so that employees can feel that the Company is changing based on the voices of employees.

(b) The Company regularly holds “Town Hall Meetings,” in which the top management visits various locations in Japan and overseas to convey his intention for transformation and exchange opinions with on-site employees from an equal standpoint. Every month, all locations in the Group hold a meeting to share information on the state of the Company and management policies. The top management himself responds to the main opinions expressed in the “opinion box” placed at the company portal. In this way, we are strengthening opportunities for two-way communication between management and employees.

(c) A regular meeting is held once a month and the Employee Satisfaction Improvement Committee meets twice a year to provide a forum for the interactive sharing of information and exchange of opinions with Shinbokukai, which is a representative organization of the Company’s employees. Shinbokukai and the Company hold regular discussions on creating a work environment that is rewarding for employees. In addition, Lab-sponsored “workshops” and “on-site interviews” are held one after another at major sites in the Group to create a place for interactive dialogue that is not biased toward the top-down. (As of the end of September 2026, workshops and interviews were held at 15 group companies in Japan, including the Company, and 28 overseas

locations. ) The issues and opinions identified at the workshops are appropriately shared with the site managers and management to encourage them to take action for improvement.

(ii) Review of the compliance evaluation system and strengthening of learning program

In order to achieve corporate revitalization, we are strengthening our efforts through the HR system and employee trainings to ensure that all employees comply with laws and regulations, and that actions that contribute to the medium- to long-term enhancement of corporate values and the growth of human resources become habitual.

(a) In FY2026, we reviewed the evaluation systems for the Japanese region, and in order to correct the corporate culture that tends to place too much emphasis on short-term results, we prioritized a compliance perspective and the medium- to long-term human resources development and process evaluation perspectives. At the same time, “organizational management (human resources development, capability development, organizational development)” was newly added as a goal-setting item for managers to the existing evaluation items. In addition to “short-term results,” we have revised our evaluation system to incorporate “processes and systems that will lead to the future,” “strengthening of the human resources,” and “correct behavior.” This will contribute to the sound growth of both employees and the organization.

(b) In order to create a culture of compliance, compliance education was restructured in FY2025 in order for all employees to acquire and embody common knowledge to “act correctly.” We have developed a lineup of education programs designed to help employees understand compliance rules that are important to business operations in the Group. The programs include level-specific training sessions for officers, managers and mid-career hires and knowledge about functional contents such as quality assurance, purchasing, sales, and trade compliance, and in-house rules. In the future, we will steadily promote a series of processes to ensure that all employees participate in and fully understand this compliance learning program and embody it in actual actions.

(iii) Use of organization performance survey and improvement of workplace environment by field leadership

We continue to conduct “Organizational Performance Surveys” for all employees in Japan to quantitatively assess and analyze workplace engagement, psychological safety, and the degree of penetration of compliance awareness. Based on the results of the survey, workplace workshops are held at each workplace to discuss issues and goals. As a result, we have established a cycle in which each organization independently identifies issues, and on-site leaders take concrete actions to improve the workplace environment and culture. In the future, we will visualize the status of employee engagement not only in Japan but also globally and expand the scope to include company-wide initiatives.

| Indicators for permeation of philosophies |               | FY2023 | FY2024 | FY2025 | FY2025 Target |
|-------------------------------------------|---------------|--------|--------|--------|---------------|
| Penetration of the vision                 | All employees | 76.4%  | 79.2%  | 77.0%  | 85.0%         |
|                                           | Male          | 75.8%  | 78.0%  | 76.4%  | 85.0%         |
|                                           | Female        | 79.7%  | 85.7%  | 80.1%  | 85.0%         |
| Cooperation and communication             | All employees | 3.66   | 3.70   | 3.68   | -             |
|                                           | Male          | 3.64   | 3.67   | 3.66   | -             |
|                                           | Female        | 3.78   | 3.88   | 3.80   | -             |
| Engagement                                | All employees | 3.62   | 3.67   | 3.65   | -             |
|                                           | Male          | 3.62   | 3.65   | 3.65   | -             |
|                                           | Female        | 3.63   | 3.74   | 3.66   | -             |

(Notes)

1. Penetration of the vision: Percentage of employees who answered “yes” or “slight yes” on a five-point scale to the question “Does your workplace share the company’s management philosophy and vision?” in the annual employee awareness survey “Organizational Performance Survey.”
2. Collaboration and communication: Average score based on a 5-level evaluation of a total of 30 questions related to collaboration and communication in the “Organization Performance Survey”
3. Engagement: Average score based on a 5-level evaluation of a total of 19 questions related to engagement in the “Organization Performance Survey”

We were unable to achieve the FY2025 target of “Penetration of the vision.” As a future response, we are working to formulate a “purpose” to clarify the Company’s reason for existence. Through the purpose formulation process and initiatives after formulation, each employee will re-examine the meaning and reasons for working in the Group, and we will promote the penetration of the vision by working to communicate with employees while linking corporate activities with the purpose.

(iv) Diversity and Inclusion

Our group continues to grow as a global enterprise with bases in more than 40 countries around the world. Employees travel and interact with each other across countries. By developing an organization (workplace) and working environment where diversity is a matter of course, we aim to become an organization with talents that can respond quickly to changes in the global situation and market.

(a) To encourage diverse employees to play active roles and create new value throughout the organization, we are promoting an organizational culture that evaluates performance regardless of attributes, as well as flexible working styles and an organization that accepts diversity.

A. From around 2005, we have been working on the promotion of diversity. Since then, we have gradually shifted from supporting a balance between work and family to supporting active participation. In addition to staggered working hours, telecommuting, and annual paid leave on an hourly basis as ways of working for both men and women, we have also expanded various systems such as reduced working hours and provided career support. In addition, mainly for female employees, workshops are held on themes such as working styles and careers, and mentoring is provided with mentors, including local senior managers of overseas offices in the Group, to provide intensive support for career development and motivation. We will continue to place high priority on the promotion of women’s active engagement, and in FY2025, the ratio of female managers was 9.4% (the ratio of female employees was 20.8%), achieving the FY2025 target of 9%.

B. As part of our initiatives for LGBTQ employees, our employment regulations explicitly state the importance of respecting individuals regardless of gender, sexual orientation, gender identity, etc., and promoting mutual cooperation. As part of this, we apply the HR regulations that apply to spouses to same-sex partners as well.

C. Five non-Japanese executives (as of the Regular General Meeting of Shareholders on June 18, 2026) have been appointed to Executive Officers, and we are promoting hiring regardless of nationality. The number of foreign students hired has been increasing year by year. The Company strives to ensure flexibility in working styles, aiming to be a company in which talents can play an active role regardless of gender, nationality, or other personal attributes or values.

| Diversity Indicators                        | FY2023 | FY2024 | FY2025 |
|---------------------------------------------|--------|--------|--------|
| Employment rate of people with disabilities | 2.7%   | 2.8%   | 2.5%   |

| Scope       | Indicators related to childcare leave                                               |                                             | FY2023             | FY2024             | FY2025               |
|-------------|-------------------------------------------------------------------------------------|---------------------------------------------|--------------------|--------------------|----------------------|
| Our company | Number/Rate of male employees taking childcare leave                                | All employees                               | 27people/<br>47.4% | 24people/<br>42.9% | 45people/<br>44.1.0% |
|             |                                                                                     | Regular employees                           | 27people/<br>47.4% | 24people/<br>42.9% | 45people/<br>44.1%   |
|             |                                                                                     | Part-Time and Fixed-term contract employees | 0 people/ -        | 0 people/ -        | 0 people/ -          |
|             | Number/Rate of female employees taking childcare leave                              | All employees                               | 12people/<br>100%  | 23people /<br>100% | 21people/<br>100%    |
|             |                                                                                     | Regular employees                           | 11people/<br>100%  | 22people /<br>100% | 21people/<br>100%    |
|             |                                                                                     | Part-Time and Fixed-term contract employees | 1 person/<br>100%  | 1 person /<br>100% | 0 people/ -          |
|             | Childcare leave return rate                                                         |                                             | 100%               | 92.1%              | 98.3%                |
|             | Childcare leave retention rate                                                      |                                             |                    |                    |                      |
|             | *Percentage of employees who continued to work for one year after returning to work |                                             | 76.9%              | 78.3%              | 79.4%                |

(Note)Calculation of indicators related to childcare leave in Japan region began in FY2024.

(b) In order to achieve sustainable growth, we regard employees' health and job satisfaction as important sources, and we are working on health management based on the idea that it is essential to create a workplace where diverse human resources can play an active role and a sustainable way of working where employees can play an active role for a long time. From the perspective of improving productivity, by maintaining and promoting physical and mental health, we are working to minimize losses due to absenteeism, leaves of absence, etc., and to prevent performance deterioration due to health problems. As measures for those at high risk of health problems, we provide personalized health guidance based on the results of medical checkups and recommend detailed medical examinations. In addition, to prevent injuries and illnesses, we hold online seminars with our industrial physicians and public health nurses to increase employee health literacy. We also encourage employees to change their behavior by implementing a complete ban on smoking on the premises and encouraging exercise habits. As a mental health measure, we are strengthening follow-up by conducting group analysis after conducting stress checks. In addition, from the perspective of occupational safety, we manage the working hours of employees, including those in managerial positions, and work to reduce the risk of health problems caused by long working hours.

| Indicators for health and productivity management                                        |               | FY2023     | FY2024     | FY2025     |
|------------------------------------------------------------------------------------------|---------------|------------|------------|------------|
| Annual number of employees absent or on leave due to mental health problems              |               | 33 people  | 16 people  | 22 people  |
| Annual number of employees absent from work or on leave due to non-mental health reasons |               | 4 people   | 4 people   | 1 person   |
| Absentee rate                                                                            |               | -          | 1.0%       | 1.3%       |
| Participation rate in health promotion programs                                          |               | 67.8%      | 25.2%      | 27.5%      |
| Average monthly overtime hours                                                           | All employees | 20.1 hours | 19.3 hours | 21.1 hours |
|                                                                                          | Male          | -          | 22.5 hours | 24.0 hours |
|                                                                                          | Female        | -          | 9.0 hours  | 11.1 hours |

(Notes)

1. We began compiling data on average monthly overtime hours by absentee rate and gender in FY2024.
2. In FY2024, the actual value decreased due to changes in the content and calculation method of the Health Promotion Program.

(c) Based on the belief that creating a safe and secure workplace is essential for diverse talents to play an active role, we are working to prevent work-related accidents and improve our compliance system.

A. We have positioned ensuring the safety of employees as a top priority issue at all Nidec Group sites and have organized a Safety and Health Committee to deliberate on measures to ensure safety at our domestic sites.

B. NIDEC continuously carries out compliance activities, including training for officers and employees, to raise the ethical awareness of officers and employees and to promote the creation of a safe and favorable work environment by complying with laws and regulations, internal rules and standards, the Code of Social Ethics, etc. and ensuring thorough education for employees. In addition, the Company has established a whistle-blowing hotline and an external third-party hotline that can be used by any Member of the Board of Directors, officer or employee of the Nidec Group, in an effort to create a workplace environment in which everyone can feel secure.

## 2) Policy on Determining the Amount and Content of Employee Remuneration and Other Compensation

Regarding employee remuneration, we aim to offer competitive compensation based on external market levels through base salary increases and other measures as necessary. Remuneration primarily consists of monthly base salary and performance-linked bonuses, which are determined by reflecting both corporate performance and individual performance.

(2) Employees

1) Consolidated basis

(As of March 31, 2026)

| Name of segment                | Number of employees |          |
|--------------------------------|---------------------|----------|
| SPMS                           | 22,860              | (8,165)  |
| AMEC                           | 9,425               | (1,632)  |
| MOEN                           | 14,439              | (751)    |
| ACIM                           | 17,589              | (643)    |
| Nidec Machinery and Automation | 6,512               | (867)    |
| Group Company Business         | 28,369              | (9,469)  |
| Corporate                      | 1,135               | (23)     |
| Total                          | 100,329             | (21,550) |

(Note)

1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

2) The Company

(As of March 31, 2026)

| Number of employees | Average age | Average length of service | Average annual salary | Change from previous fiscal year in average annual salary |
|---------------------|-------------|---------------------------|-----------------------|-----------------------------------------------------------|
| 1,786 (61)          | 43.7        | 14.4                      | 8,225,093             | 8.2                                                       |

| Name of segment | Number of employees |      |
|-----------------|---------------------|------|
| SPMS            | 632                 | (18) |
| AMEC            | 321                 | (33) |
| MOEN            | -                   | (-)  |
| ACIM            | -                   | (-)  |
| Corporate       | 833                 | (10) |
| Total           | 1,786               | (61) |

(Notes) 1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

2. Average annual salary includes extra wages and bonuses.

### 3) Labor union

Labor unions have been organized at several consolidated subsidiaries at the company and its consolidated subsidiaries. The relationship between management and labor unions is favorable and there are no material facts to report.

### 4) Ratio of female workers in managerial positions, percentage of male workers taking childcare leave, and difference in wages between male and female workers

#### (i) Submitting company

| Current fiscal year                                             |                                                                |                            |                                  |                                                                  |                            |                                           |
|-----------------------------------------------------------------|----------------------------------------------------------------|----------------------------|----------------------------------|------------------------------------------------------------------|----------------------------|-------------------------------------------|
| Ratio of female workers in managerial positions (%)<br>(Note 1) | Percentage of male workers taking childcare leave (%) (Note 2) |                            |                                  | Difference in wages between male and female workers (%) (Note 1) |                            |                                           |
|                                                                 | All workers                                                    | Regularly employed workers | Part-time and fixed-term workers | All workers                                                      | Regularly employed workers | Part-time and fixed-term workers (Note 3) |
| 9.4                                                             | 44.1                                                           | 44.1                       | -                                | 73.6                                                             | 78.7                       | 36.1                                      |

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-6, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

3. Part-time and fixed-term workers include employees rehired after retirement. The Company has introduced a job type personnel system (job grade system), whereby employees are treated according to the "size of job responsibilities and duties" and the "results".

## (ii) Consolidated subsidiary in Japan

| Current fiscal year                  |                                                                 |                                                                   |                            |                                  |                                                                  |                            |                                  |
|--------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------|----------------------------|----------------------------------|------------------------------------------------------------------|----------------------------|----------------------------------|
| Name                                 | Ratio of female workers in managerial positions (%)<br>(Note 1) | Percentage of male workers taking childcare leave (%)<br>(Note 2) |                            |                                  | Difference in wages between male and female workers (%) (Note 1) |                            |                                  |
|                                      |                                                                 | All workers                                                       | Regularly employed workers | Part-time and fixed-term workers | All workers                                                      | Regularly employed workers | Part-time and fixed-term workers |
| Nidec Instruments Corporation        | 2.1                                                             | 30.4                                                              | 30.4                       | -                                | 77.2                                                             | 76.0                       | 70.8                             |
| Nidec Instruments AKITA Corporation  | 0.0                                                             | 100.0                                                             | 100.0                      | -                                | 67.5                                                             | 72.8                       | 64.4                             |
| Nidec Material Corporation           | 0.0                                                             | -                                                                 | -                          | -                                | 62.9                                                             | 85.2                       | -                                |
| Nidec Advance Technology Corporation | 8.2                                                             | 57.1                                                              | 57.1                       | -                                | 78.7                                                             | 83.7                       | 27.4                             |
| Nidec Drive Technology Corporation   | 8.9                                                             | 29.4                                                              | 29.4                       | -                                | 82.8                                                             | 86.4                       | 48.3                             |
| Nidec Techno Motor Corporation       | 1.9                                                             | 45.5                                                              | 45.5                       | -                                | 74.0                                                             | 82.0                       | 51.0                             |
| Nidec Mobility Corporation           | 4.3                                                             | 29.4                                                              | 29.4                       | -                                | 72.8                                                             | 72.7                       | 71.9                             |
| Nidec Components Corporation         | 2.5                                                             | 33.3                                                              | 33.3                       | -                                | 63.4                                                             | 66.6                       | 54.9                             |
| MIDORI PRECISIONS Co., Ltd.          | 0.0                                                             | -                                                                 | -                          | -                                | 72.3                                                             | 91.5                       | 80.4                             |
| Nidec Powertrain Systems Corporation | 8.2                                                             | 71.4                                                              | 71.4                       | -                                | 86.0                                                             | 88.1                       | 63.1                             |
| Nidec Precision Corporation          | 3.9                                                             | 0.0                                                               | 0.0                        | -                                | 70.2                                                             | 73.0                       | 83.2                             |
| Nidec Machine Tool Corporation       | 2.6                                                             | 13.5                                                              | 14.1                       | 0.0                              | 71.0                                                             | 79.0                       | 66.0                             |
| Nidec Advanced Motor Corporation     | 2.6                                                             | -                                                                 | -                          | -                                | 79.7                                                             | 81.9                       | 59.6                             |
| Nidec OKK Corporation                | 0.0                                                             | 0.0                                                               | 0.0                        | -                                | 81.0                                                             | 82.0                       | 62.0                             |
| Takisawa Machine Tool Co., Ltd.      | 2.0                                                             | 82.4                                                              | 81.3                       | 100.0                            | 59.3                                                             | 75.9                       | 56.3                             |

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-6, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

## **V. Consolidated Financial Statements and Other Information**

### **(Premises for the Preparation of Consolidated Financial Statements)**

The Company established a Third-Party Committee on September 3, 2025, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17, 2026. The investigation reports describe numerous instances of improper accounting practices carried out at various operating bases within the Company and its group companies with the involvement or knowledge of management, including premature revenue recognition, understatement of provisions, overstatement of inventories, avoidance of impairment losses on fixed assets, and capitalization of expenses. The reports further identified instances in which management or accounting personnel of the Company and its group companies provided inaccurate or misleading information to the independent auditor, concealed relevant documents, or provided altered records in order to obtain the independent auditor's concurrence. The improper accounting practices identified by the Third-Party Committee have been corrected in the consolidated financial statements.

However, the Company has identified certain officers and employees of the Company and its group companies who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, and is evaluating and taking remedial personnel actions to determine appropriate measures; however, some of those actions have not been completed. As a result, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies.

The matters identified in the Third-Party Committee's reports indicate that material weaknesses existed in the control environment over an extended period and raise substantial concerns regarding whether the Company's governance and control environment relating to financial reporting is operating effectively, including whether the risk of management override of controls has been sufficiently mitigated. This condition also affects the reliability of records, documents and information submitted to the independent auditor by, or prepared, responded to, or reviewed by, individuals involved in the improper accounting practices, as well as the reliability of management representations provided to the independent auditor.

Although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for individuals involved in the improper accounting practices, some of those remedial personnel actions have not been completed, and it has not been confirmed that successor personnel have assumed responsibility for financial reporting and are appropriately performing their responsibilities. Accordingly, the possible effects of any undetected misstatements on the consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. Such effects, if any, have not been reflected in the consolidated financial statements.

Further details of these matters are described in the Notes to Consolidated Financial Statements "Status of the Company's Remediation Measures Relating to Corporate Governance".

### **(Restatement of Comparative Information)**

As described in "II. Business Overview, 1. Management Policies, Business Environment, and Challenges" and "V. Consolidated Financial Statements and Other Information Notes to Consolidated Financial Statements, 43. Additional Information (Improper Accounting Practices and Other Related Matters)", the Company established the Third-Party Committee on September 3, 2025, in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17 of the same year. In addition, the Company has conducted internal investigations regarding potential quality issues and issues related to trade transactions and tariffs. In these reports, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in the Company and the group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, the Company decided that it was necessary to retroactively correct 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.

The analytical figures and other information presented below are based on the consolidated financial statements for the 52nd business term, reflecting these restatements.

# 1. Consolidated Financial Statements

## (1) Consolidated Statements of Financial Position

(Yen in millions)

|                                                   | Note   | As of March 31, |           |
|---------------------------------------------------|--------|-----------------|-----------|
|                                                   |        | 2025            | 2026      |
|                                                   |        | (Restated)      |           |
| Assets                                            |        |                 |           |
| Current assets                                    |        |                 |           |
| Cash and cash equivalents                         | 8      | 246,254         | 852,204   |
| Trade and other receivables                       | 10     | 686,589         | 736,512   |
| Other financial assets                            | 11, 36 | 1,297           | 2,811     |
| Income tax receivables                            |        | 22,246          | 21,000    |
| Inventories                                       | 12     | 530,436         | 560,987   |
| Other current assets                              | 13     | 79,643          | 101,384   |
| Total current assets                              |        | 1,566,465       | 2,274,898 |
| Non-current assets                                |        |                 |           |
| Property, plant and equipment                     | 14,16  | 668,502         | 449,713   |
| Goodwill                                          | 15,16  | 355,694         | 170,238   |
| Intangible assets                                 | 15,16  | 222,380         | 129,539   |
| Investments accounted for using the equity method | 38     | 1,044           | 1,621     |
| Other investments                                 | 17, 36 | 36,337          | 40,862    |
| Other financial assets                            | 36     | 7,614           | 8,484     |
| Deferred tax assets                               | 26     | 50,089          | 24,034    |
| Other non-current assets                          | 18     | 11,640          | 8,232     |
| Total non-current assets                          |        | 1,353,300       | 832,723   |
| Total assets                                      |        | 2,919,765       | 3,107,621 |

(Yen in millions)

|                                                   |            | As of March 31, |           |
|---------------------------------------------------|------------|-----------------|-----------|
|                                                   | Note       | 2025            | 2026      |
|                                                   |            | (Restated)      |           |
| Liabilities                                       |            |                 |           |
| Current liabilities                               |            |                 |           |
| Short term borrowings                             | 22, 23, 36 | 93,710          | 587,026   |
| Long term debt due within one year                | 22, 23, 36 | 164,245         | 95,106    |
| Trade and other payables                          | 19         | 615,470         | 704,712   |
| Other financial liabilities                       | 20, 36     | 3,616           | 2,935     |
| Income tax payables                               |            | 29,990          | 22,004    |
| Provisions                                        | 27         | 72,441          | 104,519   |
| Other current liabilities                         | 21         | 126,946         | 160,308   |
| Total current liabilities                         |            | 1,106,418       | 1,676,610 |
| Non-current liabilities                           |            |                 |           |
| Long term debt                                    | 22, 23, 36 | 381,237         | 431,272   |
| Other financial liabilities                       | 36         | 3,718           | 3,646     |
| Income tax payables                               |            | 7               | 270       |
| Retirement benefit liabilities                    | 24         | 33,071          | 34,628    |
| Provisions                                        | 27         | 54,883          | 64,939    |
| Deferred tax liabilities                          | 26         | 60,934          | 117,562   |
| Other non-current liabilities                     |            | 12,767          | 13,968    |
| Total non-current liabilities                     |            | 546,617         | 666,285   |
| Total liabilities                                 |            | 1,653,035       | 2,342,895 |
| Equity                                            |            |                 |           |
| Common stock                                      | 29         | 87,784          | 87,784    |
| Additional paid-in capital                        | 29         | 97,299          | 97,478    |
| Retained earnings                                 |            | 895,546         | 314,786   |
| Other components of equity                        | 25         | 334,790         | 469,715   |
| Treasury stock                                    |            | (175,604)       | (175,599) |
| Total equity attributable to owners of the parent |            | 1,239,815       | 794,164   |
| Non-controlling interests                         |            | 26,915          | (29,438)  |
| Total equity                                      |            | 1,266,730       | 764,726   |
| Total liabilities and equity                      |            | 2,919,765       | 3,107,621 |

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

(Yen in millions)

|                                                                                 |       | (yen in millions)             |             |
|---------------------------------------------------------------------------------|-------|-------------------------------|-------------|
|                                                                                 |       | For the years ended March 31, |             |
|                                                                                 | Note  | 2025                          | 2026        |
| (Restated)                                                                      |       |                               |             |
| Continuing operations                                                           |       |                               |             |
| Net Sales                                                                       | 5, 31 | 2,606,347                     | 2,708,705   |
| Cost of sales                                                                   | 32    | (2,057,720)                   | (2,182,070) |
| Gross profit                                                                    |       | 548,627                       | 526,635     |
| Selling, general and administrative expenses                                    | 16,32 | (340,713)                     | (928,710)   |
| Research and development expenses                                               | 32    | (79,692)                      | (116,903)   |
| Operating profit (loss)                                                         | 5     | 128,222                       | (518,978)   |
| Financial income                                                                | 33    | 36,886                        | 35,401      |
| Financial expenses                                                              | 33    | (24,712)                      | (25,276)    |
| Derivative gain (loss)                                                          | 35    | (694)                         | (1,033)     |
| Foreign exchange differences                                                    |       | (11,947)                      | 14,682      |
| Share of net profit (loss) of investments accounted for using the equity method | 38    | (3,179)                       | (1,010)     |
| Profit (loss) before income taxes                                               |       | 124,576                       | (496,214)   |
| Income tax expenses                                                             | 26    | (45,167)                      | (126,696)   |
| Profit (loss) for the year from continuing operations                           |       | 79,409                        | (622,910)   |
| Discontinued operations                                                         |       |                               |             |
| Loss for the year from discontinued operations                                  | 6     | (204)                         | (51)        |
| Profit (loss) for the year                                                      |       | 79,205                        | (622,961)   |
| Profit (loss) for the year attributable to:                                     |       |                               |             |
| Owners of the parent                                                            |       | 84,672                        | (564,624)   |
| Non-controlling interests                                                       |       | (5,467)                       | (58,337)    |
| Profit (loss) for the year                                                      |       | 79,205                        | (622,961)   |
| Earnings (loss) per share attributable to owners of the parent-basic (yen)      |       |                               |             |
| Continuing operations                                                           | 34    | 73.87                         | (492.51)    |
| Discontinued operations                                                         |       | (0.18)                        | (0.04)      |
| Total                                                                           |       | 73.69                         | (492.55)    |
| Earnings (loss) per share attributable to owners of the parent-diluted (yen)    |       |                               |             |
| Continuing operations                                                           | 34    | 73.87                         | (492.51)    |
| Discontinued operations                                                         |       | (0.18)                        | (0.04)      |
| Total                                                                           |       | 73.69                         | (492.55)    |

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

|                                                                    | Note | For the years ended March 31, |           |
|--------------------------------------------------------------------|------|-------------------------------|-----------|
|                                                                    |      | 2025                          | 2026      |
|                                                                    |      | (Restated)                    |           |
| Profit (loss) for the year                                         |      | 79,205                        | (622,961) |
| Other comprehensive income, net of taxation                        |      |                               |           |
| Items that will not be reclassified to net profit or loss:         |      |                               |           |
| Remeasurement of defined benefit plans                             |      | 2,445                         | 859       |
| Fair value movements on FVTOCI equity financial assets             |      | (2,296)                       | 6,257     |
| Items that may be reclassified to net profit or loss:              |      |                               |           |
| Foreign currency translation adjustments                           |      | (19,859)                      | 135,869   |
| Effective portion of net changes in fair value of cash flow hedges |      | (3,307)                       | 1,651     |
| Fair value movements on FVTOCI debt financial assets               |      | 28                            | 36        |
| Total other comprehensive income for the year, net of taxation     | 25   | (22,989)                      | 144,672   |
| Comprehensive income for the year                                  |      | 56,216                        | (478,289) |
| Comprehensive income for the year attributable to:                 |      |                               |           |
| Owners of the parent                                               |      | 63,001                        | (422,573) |
| Non-controlling interests                                          |      | (6,785)                       | (55,716)  |
| Comprehensive income for the year                                  |      | 56,216                        | (478,289) |

## (3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2025

(Yen in millions)

| (Restated)                                              | Note | Total equity attributable to owners of the parent |                            |                   |                            |                |           | Non-controlling interests | Total equity |
|---------------------------------------------------------|------|---------------------------------------------------|----------------------------|-------------------|----------------------------|----------------|-----------|---------------------------|--------------|
|                                                         |      | Common Stock                                      | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total     |                           |              |
| Balance at April 1, 2024                                |      | 87,784                                            | 96,864                     | 856,239           | 356,606                    | (167,945)      | 1,229,548 | 28,894                    | 1,258,442    |
| Comprehensive income                                    |      |                                                   |                            |                   |                            |                |           |                           |              |
| Profit(loss) for the year                               |      |                                                   |                            | 84,672            |                            |                | 84,672    | (5,467)                   | 79,205       |
| Other comprehensive income                              | 25   |                                                   |                            |                   | (21,671)                   |                | (21,671)  | (1,318)                   | (22,989)     |
| Total comprehensive income                              |      |                                                   |                            |                   |                            |                | 63,001    | (6,785)                   | 56,216       |
| Transactions with owners directly recognized in equity: |      |                                                   |                            |                   |                            |                |           |                           |              |
| Purchase of treasury stock                              |      |                                                   |                            |                   |                            | (7,784)        | (7,784)   | -                         | (7,784)      |
| Dividends paid to the owners of the parent              | 30   |                                                   |                            | (45,969)          |                            |                | (45,969)  | -                         | (45,969)     |
| Dividends paid to non-controlling interests             |      |                                                   |                            |                   |                            |                | -         | (721)                     | (721)        |
| Share-based payment transactions                        |      |                                                   | (272)                      |                   |                            | 123            | (149)     | -                         | (149)        |
| Transfer to retained earnings                           |      |                                                   |                            | 145               | (145)                      |                | -         | -                         | -            |
| Increase (decrease ) by business combination            |      |                                                   | 631                        | 472               |                            |                | 1,103     | 5,493                     | 6,596        |
| Other                                                   |      |                                                   | 76                         | (13)              |                            | 2              | 65        | 34                        | 99           |
| Balance at March 31, 2025                               |      | 87,784                                            | 97,299                     | 895,546           | 334,790                    | (175,604)      | 1,239,815 | 26,915                    | 1,266,730    |

For the year ended March 31, 2026

(Yen in millions)

|                                                         | Note | Total equity attributable to owners of the parent |                            |                   |                            |                |           | Non-controlling interests | Total equity |
|---------------------------------------------------------|------|---------------------------------------------------|----------------------------|-------------------|----------------------------|----------------|-----------|---------------------------|--------------|
|                                                         |      | Common Stock                                      | Additional paid-in capital | Retained earnings | Other components of equity | Treasury stock | Total     |                           |              |
| Balance at April 1, 2025 (Restated)                     |      | 87,784                                            | 97,299                     | 895,546           | 334,790                    | (175,604)      | 1,239,815 | 26,915                    | 1,266,730    |
| Comprehensive income                                    |      |                                                   |                            |                   |                            |                |           |                           |              |
| Loss for the year                                       |      |                                                   |                            | (564,624)         |                            |                | (564,624) | (58,337)                  | (622,961)    |
| Other comprehensive income                              | 25   |                                                   |                            |                   | 142,051                    |                | 142,051   | 2,621                     | 144,672      |
| Total comprehensive income                              |      |                                                   |                            |                   |                            |                | (422,573) | (55,716)                  | (478,289)    |
| Transactions with owners directly recognized in equity: |      |                                                   |                            |                   |                            |                |           |                           |              |
| Purchase of treasury stock                              |      |                                                   |                            |                   |                            | (4)            | (4)       | -                         | (4)          |
| Dividends paid to the owners of the parent              | 30   |                                                   |                            | (22,926)          |                            |                | (22,926)  | -                         | (22,926)     |
| Dividends paid to non-controlling interests             |      |                                                   |                            |                   |                            |                | -         | (1,409)                   | (1,409)      |
| Share-based payment transactions                        |      |                                                   | 369                        |                   |                            |                | 369       | -                         | 369          |
| Transfer to retained earnings                           |      |                                                   |                            | 7,126             | (7,126)                    |                | -         | -                         | -            |
| Increase (decrease ) by business combination            |      |                                                   | (254)                      |                   |                            |                | (254)     | 729                       | 475          |
| Other                                                   |      |                                                   | 64                         | (336)             |                            | 9              | (263)     | 43                        | (220)        |
| Balance at March 31, 2026                               |      | 87,784                                            | 97,478                     | 314,786           | 469,715                    | (175,599)      | 794,164   | (29,438)                  | 764,726      |

## (4) Consolidated Statements of Cash Flows

(Yen in millions)

|                                                                                           | Note | For the years ended March 31, |           |
|-------------------------------------------------------------------------------------------|------|-------------------------------|-----------|
|                                                                                           |      | 2025                          | 2026      |
|                                                                                           |      | (Restated)                    |           |
| Cash flows from operating activities:                                                     |      |                               |           |
| Profit (loss) for the year from continuing operations                                     |      | 79,409                        | (622,910) |
| Loss for the year from discontinued operations                                            |      | (204)                         | (51)      |
| Profit (loss) for the year                                                                |      | 79,205                        | (622,961) |
| Adjustments to reconcile profit for the year to net cash provided by operating activities |      |                               |           |
| Depreciation                                                                              |      | 82,943                        | 80,612    |
| Amortization                                                                              |      | 19,811                        | 22,270    |
| Loss (gain) from sales, disposal and impairment of property, plant and equipment          | 16   | 114,976                       | 626,949   |
| Loss (gain) from discontinued operations                                                  |      | 204                           | 51        |
| Financial expenses (income)                                                               |      | (14,478)                      | (12,584)  |
| Share of net (profit) loss from associate accounting using the equity method              |      | 3,179                         | 1,010     |
| Deferred income taxes                                                                     |      | (12,496)                      | 74,850    |
| Current income taxes                                                                      |      | 57,663                        | 51,846    |
| Foreign currency adjustments                                                              |      | 8,144                         | (54,935)  |
| Increase (decrease) in retirement benefit liability                                       |      | (1,834)                       | (628)     |
| Decrease (increase) in accounts receivable                                                |      | (30,177)                      | (3,925)   |
| Decrease (increase) in inventories                                                        |      | 5,074                         | 4,351     |
| Increase (decrease) in accounts payable                                                   |      | 46,238                        | 60,008    |
| Other, net                                                                                |      | (19,752)                      | 52,062    |
| Interests and dividends received                                                          |      | 36,940                        | 35,183    |
| Interests paid                                                                            |      | (21,306)                      | (21,008)  |
| Income taxes paid                                                                         |      | (81,863)                      | (58,933)  |
| Net cash provided by operating activities                                                 |      | 272,471                       | 234,218   |

| For the years ended March 31,                                                        |      |            |           |
|--------------------------------------------------------------------------------------|------|------------|-----------|
|                                                                                      | Note | 2025       | 2026      |
|                                                                                      |      | (Restated) |           |
| Cash flows from investing activities:                                                | 6    |            |           |
| Additions to property, plant and equipment                                           |      | (117,864)  | (130,482) |
| Proceeds from sales of property, plant and equipment                                 |      | 9,236      | 15,215    |
| Additions to intangible assets                                                       |      | (18,962)   | (17,144)  |
| Acquisitions of business, net of cash acquired                                       |      | (4,279)    | (5,210)   |
| Other, net                                                                           |      | (3,759)    | 1,383     |
| Net cash used in investing activities                                                |      | (135,628)  | (136,238) |
| Cash flows from financing activities:                                                | 9    |            |           |
| Increase (decrease) in short term borrowings                                         |      | 50,860     | 492,904   |
| Proceeds from issuance of long term debt                                             |      | 72,770     | 95,771    |
| Repayments of long term debt                                                         |      | (16,368)   | (14,695)  |
| Redemption of bonds                                                                  |      | (130,000)  | (131,040) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests |      | (3,386)    | (1,239)   |
| Purchase of treasury stock                                                           |      | (7,784)    | (4)       |
| Dividends paid to the owners of the parent                                           |      | (45,969)   | (22,926)  |
| Other, net                                                                           |      | (510)      | (525)     |
| Net cash used in financing activities                                                |      | (80,387)   | 418,246   |
| Effect of exchange rate changes on cash and cash equivalents                         |      | (36,197)   | 89,724    |
| Net increase (decrease) in cash and cash equivalents                                 |      | 20,259     | 605,950   |
| Cash and cash equivalents at beginning of year                                       |      | 217,022    | 246,254   |
| Cash and cash equivalents at beginning of year of newly consolidated subsidiaries    |      | 8,973      | -         |
| Cash and cash equivalents at end of year                                             | 8    | 246,254    | 852,204   |

## Notes to Consolidated Financial Statements

(Status of the Company's Remediation Measures Relating to Corporate Governance)

As described in the Note 43, Additional Information, "Improper Accounting Practices and Other Related Matters," section "(1) Investigations by the Third-Party Committee," the Company established a Third-Party Committee on September 3, 2025, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17, 2026. The investigation reports describe numerous instances of improper accounting practices carried out at various operating bases within the Company and its group companies with the involvement or knowledge of management, including premature revenue recognition, understatement of provisions, overstatement of inventories, avoidance of impairment losses on fixed assets, and capitalization of expenses. The reports further identified instances in which management or accounting personnel of the Company and its group companies provided inaccurate or misleading information to the independent auditor, concealed relevant documents, or provided altered records in order to obtain the independent auditor's concurrence. The improper accounting practices identified by the Third-Party Committee have been corrected in the consolidated financial statements.

In addition, as described in section "(2) Internal Investigation regarding Potential Quality Issues," the Company completed an investigation regarding potential quality issues and identified falsification of testing and inspection records and unauthorized use of non-conforming materials at multiple production bases. Furthermore, as described in section "(3) Other Internal Investigation," the Company completed its investigation into matters relating to trade transactions and tariffs and identified underpaid tariffs associated with import transactions. Related costs, liabilities and disclosures have been reflected in the consolidated financial statements.

However, the Company has identified certain officers and employees of the Company and its group companies who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, and is evaluating and taking remedial personnel actions to determine appropriate measures; however, some of those actions have not been completed. As a result, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies.

The matters identified in the Third-Party Committee's reports indicate that material weaknesses existed in the control environment over an extended period and raise substantial concerns regarding whether the Company's governance and control environment relating to financial reporting is operating effectively, including whether the risk of management override of controls has been sufficiently mitigated. This condition also affects the reliability of records, documents and information submitted to the independent auditor by, or prepared, responded to, or reviewed by, individuals involved in the improper accounting practices, as well as the reliability of management representations provided to the independent auditor.

Although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for individuals involved in the improper accounting practices, some of those remedial personnel actions have not been completed, and it has not been confirmed that successor personnel have assumed responsibility for financial reporting and are appropriately performing their responsibilities. Accordingly, the possible effects of any undetected misstatements on the consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. Such effects, if any, have not been reflected in the consolidated financial statements.

### 1. Reporting entity

Nidec Corporation (the "Company") is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered addresses of headquarters and principal business offices are available on the Company's website (<https://www.nidec.com/en/>).

Consolidated Financial Statements as of March 31, 2026 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries ("NIDEC") and interests in associates of NIDEC. NIDEC mainly designs, develops, produces, and sells products as described below:

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors, water-cooling modules and motor applications.
- 2) Automotive products, which include automotive motors and components, and traction motor system.

- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and services.

## **2. Basis of preparation of consolidated financial statements**

### **(1) Compliance with International Financial Reporting Accounting Standards (IFRS Accounting)**

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS Accounting pursuant to the provision of Article 312 of the Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a "Designated IFRS Accounting Specified Company" defined in Article 1-2 of the Regulations.

### **(2) Basis of measurement**

As stated in "Note 3. Material accounting policies", the consolidated financial statements have been prepared on a historical cost basis, except for retirement-defined benefit plan assets, some assets and liabilities, including derivative and other financial instruments measured at fair value.

### **(3) Presentation currency and level of rounding**

The consolidated financial statements are presented in Japanese Yen, which is also the Company's functional currency, and figures are rounded to the nearest million yen, unless otherwise indicated.

### **(4) Changes in accounting policies**

(Lack of Exchangeability - Amendments to IAS 21)

From the current consolidated fiscal year, NIDEC has adopted IAS 21 "The Effects of Changes in Foreign Exchange Rates" (issued in August 2023).

However, there are no material impacts of the above standards on NIDEC's consolidated financial statements.

(5) Issued IFRS Accounting standards and interpretations not yet adopted by NIDEC

The following is a list of major IFRS Accounting standards and interpretations that are issued or amended before the approval date of the consolidated financial statements, but not yet adopted by NIDEC. This potential impacts on NIDEC's consolidated financial statements are still under consideration and cannot be estimated at this time.

| IFRS Accounting       |                                                                                                | Effective date<br>(Fiscal year beginning<br>on or after) | NIDEC's<br>application date<br>(Fiscal year ending) | Summaries of new standards and<br>amendments                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IFRS9<br>IFRS7        | Financial Instruments<br>Financial Instruments:<br>Disclosures                                 | January 1, 2026                                          | March 31, 2027                                      | Clarifying the measurement of financial assets with environmental, social and corporate governance (ESG). Amendment of disclosures regarding investments in equity instruments.                                                                                                                                                                                                 |
| IFRS9<br>IFRS7        | Financial Instruments<br>Financial Instruments:<br>Disclosures                                 | January 1, 2026                                          | March 31, 2027                                      | Prescribes accounting procedures and disclosures regarding power purchase agreements                                                                                                                                                                                                                                                                                            |
| IFRS 18               | Presentation and<br>Disclosure in<br>Financial Statements                                      | January 1, 2027                                          | March 31, 2028                                      | Require that the income statement be divided into five categories: operating, investing, financing, corporate income tax, and discontinued operations.<br>Require disclosure of information about each MPM in a single note to the financial statements when disclosing company-specific performance measures that meet management's definition of performance measures (MPMs). |
| IFRS 10<br><br>IAS 28 | Consolidated<br>Financial Statements<br><br>Investments in<br>Associates and Joint<br>Ventures | Undecided                                                | Undecided                                           | Amendments of accounting processing for sales of assets to affiliates.                                                                                                                                                                                                                                                                                                          |
| IFRS 19               | Subsidiaries without<br>Public Accountability:<br>Disclosures                                  | January 1, 2027                                          | March 31, 2028                                      | New standard that permits eligible subsidiaries to apply IFRS Accounting standards with reduced disclosure requirements                                                                                                                                                                                                                                                         |
| IAS 21                | The Effects of<br>Changes in Foreign<br>Exchange Rates                                         | January 1, 2027                                          | March 31, 2028                                      | Clarification of how financial information is converted into hyperinflationary currencies                                                                                                                                                                                                                                                                                       |
| IFRS 20               | Regulatory Assets and<br>Regulatory Liabilities                                                | January 1, 2029                                          | March 31, 2030                                      | Comprehensive requirements for the accounting and disclosure of timing differences arising from rate-regulated activities                                                                                                                                                                                                                                                       |

### 3. Material accounting policies

Material accounting policies apply to all periods mentioned in the consolidated financial statements.

#### (1) Basis of consolidation

The consolidated financial statements include financial statements of NIDEC and investments in associates.

##### (i) Subsidiaries

Subsidiaries are all entities over which NIDEC has the control. NIDEC controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Financial statements of subsidiaries are included in the consolidated financial statements from the date when NIDEC gets control to the date when NIDEC loses control of it.

The financial statements of the subsidiaries are adjusted if their accounting policies are different to those of NIDEC.

Inter-company receivables and payables, transactions, and unrealized gains and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

There may be additional purchase and/or partial sale of shares of the subsidiaries by NIDEC. Changes in NIDEC's ownership interests in subsidiaries that do not result in a loss of control are reported as equity transactions. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity and attributable to the owners of the parent. When losing control, any gain or loss associated with the loss of control is recognized as net profit or loss.

##### (ii) Non-controlling interests

Non-controlling interests of consolidated subsidiaries are presented separately from the equity of the owners of the parent.

Non-controlling interests consist of those interests on the date of the initial business combination and changes of the non-controlling interests from the date of the combination. Comprehensive income is allocated to the controlling and non-controlling interests, even when the allocation results in negative non-controlling interests.

##### (iii) Associates

Associates are all entities over which NIDEC has the ability to exercise significant influence on their financial and operating policies but does not have control.

Associates are accounted for using the equity method from the date when NIDEC acquires significant influence to the date when NIDEC loses it. The investments in associates include goodwill recognized upon acquisition.

#### (2) Business combinations

Business combinations are accounted for on the date when NIDEC acquires controls over the businesses according to the acquisition method. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the aggregate of the consideration transferred, acquiree's non-controlling interest, and, in a business combination achieved in stages, the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of NIDEC's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of income as a gain on bargain purchase.

Non-controlling interests are presented separately from the equity of the owners of the parent. The non-controlling interest can be measured using either of the following methods:

- 1) Measuring a non-controlling interest at its fair value.
- 2) Measuring the non-controlling interest's proportional share of the net value of the identifiable assets acquired and the liabilities assumed of the acquiree.

This policy choice is made for each business combination.

NIDEC uses provisional amounts in its consolidated financial statements if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. NIDEC retrospectively adjusts the provisional amounts during the measurement period, which shall not exceed one year from the acquisition date.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid / received is not recognized as goodwill or gains and losses but recognized in additional paid-in capital.

### (3) Foreign currency translation

#### (i) Functional currency

Each entity in NIDEC group determines its own functional currency and transactions of each entity are measured in its own functional currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or an exchange rate which approximates the prevailing rates. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using closing rates, and foreign currency non-monetary assets and liabilities measured at fair value are translated into functional currency using the exchange rate at the date when the fair value is measured are recognized in the consolidated statements of income, except for those deferred in equity as effective cash flow hedges.

#### (iii) Foreign operations

With regard to the financial statements of foreign subsidiaries and associates, assets and liabilities are translated into Japanese yen by using the exchange rates prevailing at the closing date. Income and expenses are translated into Japanese yen at the average exchange rates prevailing during the fiscal period, except in the case of significant fluctuations in exchange rates. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When NIDEC disposes a foreign operation and loses control or significant influence of the foreign operation, the cumulative exchange differences related to the operation are recognized in the consolidated statements of income as part of the gain or loss on disposal.

### (4) Cash and cash equivalents

Cash and cash equivalents are cash, deposits readily withdrawn as needed and highly liquid investments which have original maturities within three months from the acquisition date that are convertible to cash of the presented amount and are subject to an insignificant risk of changes in value caused by interest rate fluctuation due to short maturity. NIDEC participates in an arrangement with a specific financial institution to carry out notional pooling between group companies including foreign subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution up to our aggregate cash deposits within the same financial institution. This arrangement represents a single unit of account for accounting purposes.

### (5) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the average cost basis. Cost of projects in progress, which mainly relate to production of factory automation equipment based on contracts with customers, are determined by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses.

## (6) Property, plant and equipment

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition, the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located, and the borrowing cost that meets the criteria for capitalization.

Costs incurred after initial recognition are recognized as an asset, either by including the amount in the carrying amount of the acquired asset or recognizing the amount as a separate asset, only when it is probable that future economic benefits associated with the costs will flow to NIDEC and the amount can be reliably measured. All other costs of repairs and maintenance are charged to the income statement during the fiscal year in which they are incurred.

The depreciable amounts of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each asset. The depreciable amount of an asset is determined by deducting its residual value from its cost.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings 2–50 years

Machinery and equipment 2–15 years

The estimated useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

## (7) Goodwill and intangible assets

### (i) Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized, but allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination, and tested for impairment annually or whenever there is an indication of impairment. Impairment losses of goodwill are recognized on the consolidated statements of income and cannot be reversed.

Initial measurement policies of goodwill are stated in "(2) Business combinations".

### (ii) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Intangible assets acquired separately are measured at cost upon initial recognition, and those acquired by business combination are recognized separately from goodwill at fair value at acquisition date if these intangible assets meet the definition of intangible assets, are identifiable, and are able to be measured reliably at fair value.

Research expenditure, which is defined as investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred.

Costs incurred on development projects are recognized as intangible assets only if all of the following requirements are met. Other development expenditure is recognized as an expense as incurred.

- Technical feasibility of completing the intangible asset so that it will be available for use or sale
- Intention to complete the intangible asset and use or sell it
- Ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- Availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- Ability to measure reliably the expenditure attributable to the intangible asset during its development

Intangible assets that have a definite useful life are mainly amortized by a straight-line method based on estimated useful lives. These estimated useful lives of major intangible assets are described below.

Customer relationships 5 – 30 years

Proprietary technology 10 – 20 years

Software 2 – 10 years

Capitalized development costs 2 – 12 years

The useful lives and amortization method of intangible assets with finite useful lives are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

For intangible assets with finite useful life, an impairment test is carried out when there is an indication that the unit may be impaired. Intangible assets with indefinite useful life or which are not available for use are not amortized, and impairment test is carried out on an annual basis (January 1) or at time when there is an indication that the unit may be impaired, or situation is changed.

## (8) Leases

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration.

### 1. Lessee

If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the consolidated financial statements at the commencement date.

In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss and adjusted for any remeasurement for the lease liability. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. When NIDEC as the lessee is reasonably certain to exercise a purchase option, NIDEC shall depreciate the right-of-use asset over the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date and discounted using the interest rate implicit in the lease (if that rate can be readily determined) or NIDEC's incremental borrowing rate.

The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period. Leases with a lease term of 12 months or less and low-value leases are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

### 2. Lessor

Among the lease transactions, those that substantially transfer all the risks and rewards of ownership to the Group are classified as finance lease agreements, and leases other than finance leases are classified as operating leases.

For finance leases, net investments in finance leases are recognized as lease receivables (presented in "Trade and other receivables"). Lease payments receivable are categorized into amounts equivalent to the principal and interest of lease receivables, and the effective interest method is used to calculate the amount equivalent to the interest of each lease payment receivable.

For operating leases, lease income is recognized in profit or loss over the lease term.

## (9) Government grants

Government grants are recognized at fair value if there is reasonable assurance that NIDEC will comply with the conditions associated with the grants and they will be received.

When government grants are related to expense items, they are deducted from the related costs. Government grants related to assets are deducted from the cost of the assets.

#### (10) Impairment of non-financial assets

At the end of each reporting period, NIDEC assesses each of its assets to see whether there is an indication that it may be impaired. If there is an indication that an asset may be impaired or an annual impairment test is required, then the asset's recoverable amount is estimated. For goodwill, intangible assets having indefinite useful life, and intangible assets not yet available for use, an impairment test is carried out at least once per year or whenever there is an indication of impairment.

When it is not possible to estimate the recoverable amount of an individual asset, NIDEC estimates the recoverable amount of the cash-generating unit to which the asset belongs. For capitalized development costs, each development project is treated as a cash-generating unit, and NIDEC estimates the recoverable amount using the plan for each development project (including sales, raw material costs, and depreciation forecast).

The recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to its recoverable amount, and the reduction is recognized as an impairment loss.

In measuring the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

NIDEC assesses whether there is any indication that an impairment loss recognized in previous years for all non-financial assets other than goodwill may no longer exist or may have decreased in such case that there are any changes in assumptions used for the determination of the recoverable amount. If such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated. If the recoverable amount of the asset or the cash-generating unit is greater than its carrying amount, a reversal of an impairment loss is recognized, to the extent the increased carrying amount does not exceed the lower of the recoverable amount and the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in previous years.

#### (11) Financial instruments

##### (i) Initial recognition

Financial assets are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date). Trade and other receivables are initially recognized on the date such receivables arise. Financial liabilities such as debt instruments issued by NIDEC are recognized at issuance date, and other financial liabilities are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date).

Financial assets and liabilities are measured at fair value at initial recognition. Transaction cost directly attributable to the acquisition of financial assets and issuance of financial liabilities is added to financial assets' fair value or subtracted from financial liabilities' fair value at initial recognition except for those measured at fair value through consolidated statement of income (FVTPL financial assets and FVTPL financial liabilities). NIDEC does not possess any non-derivative FVTPL financial liabilities as of the end of this period. Transaction costs that are directly attributable to the acquisition of FVTPL financial assets are recognized in consolidated statement of income.

(ii) Non-derivative financial assets

NIDEC classifies non-derivative financial assets upon initial recognition as either financial assets measured at amortized costs, financial assets measured at fair value through other comprehensive income (FVTOCI financial assets) or FVTPL financial assets.

(Financial assets measured at amortized costs)

Financial assets are subsequently measured by amortized costs if both of the following conditions are met:

- Financial assets are held in a business model with the objective to collect contractual cash flows.
- Contractual cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method. Interest accrued on financial assets measured at amortized cost is included in financial income in the consolidated statement of income.

(FVTOCI financial assets)

(a) FVTOCI debt financial assets

Financial assets are classified as FVTOCI debt financial assets if both of the following conditions are met:

- It is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A change in fair value of FVTOCI debt financial assets except for impairment gain or loss and foreign exchange gain or loss is recognized as other comprehensive income until derecognition. Upon derecognition the cumulative gain or loss previously recognized in other comprehensive income is reclassified to consolidated statement of income.

(b) FVTOCI equity financial assets

Upon initial recognition, NIDEC may make an irrevocable election to present changes in the fair value of an investment in equity financial assets that is not held for trading as other comprehensive income.

FVTOCI equity financial assets are measured at fair value after initial recognition, and its change in fair value is recognized as other comprehensive income, which is immediately transferred directly to retained earnings from other components of equity. It does not flow through consolidated statement of income. However, dividends from such investments are recognized in consolidated statement of income as part of financial income.

(FVTPL financial assets)

Financial assets that do not qualify as financial assets measured at amortized costs are classified as FVTPL financial assets except for those that are qualified or designated as FVTOCI financial assets. All equity investments are to be classified as FVTPL financial assets and subsequently measured at fair value, with value changes recognized in consolidated statement of income, except for those equity investments for which NIDEC has made an irrevocable election to present value changes in other comprehensive income upon initial recognition.

(iii) Impairment of financial assets measured at amortized costs

For financial assets measured at amortized costs, expected credit loss allowance against expected credit loss is estimated and recognized at each reporting date.

When the credit risk of the financial instrument has increased significantly since initial recognition until the reporting date, expected credit loss allowance against the financial instrument is measured at the same amount as full lifetime expected credit losses after all reasonable and supportable information available including forecasts is considered. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant increases in credit risk on other financial instruments of the same borrower

Otherwise, expected credit loss allowance against the financial instrument is measured at the amount equivalent to the 12-month expected credit losses.

However, with respect to trade receivables, notwithstanding the aforementioned, expected credit loss allowance is always measured at an amount equal to full lifetime expected credit losses.

The amount of expected credit losses and reversal of them is recognized as impairment losses and reversal of impairment losses in net profit or loss.

(iv) Derecognition of non-derivative financial assets

Non-derivative financial assets are derecognized when the contractual rights to receive cash flows from the financial assets expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights and obligations created or retained in the transfer are recognized as separate assets and liabilities.

(v) Derecognition and subsequent measurement of non-derivative financial liabilities

After initial recognition, non-derivative financial liabilities, including trade and other payables and other financial liabilities, are subsequently measured at amortized cost using the effective interest method. Interest accrued on these financial liabilities is included in financial expenses in the consolidated statement of income.

The financial liabilities are derecognized when the obligations are fulfilled or when liabilities are discharged, cancelled, or expired.

(vi) Derivatives and hedge accounting

NIDEC is engaged in derivative transactions and mainly uses foreign exchange forward contracts, interest rate swap agreements, currency swap agreements, and commodity futures contracts to manage its exposure to risks from changes in foreign exchange rates, interest rates, and commodity prices. NIDEC does not hold derivative financial instruments for trading purpose.

Derivatives are initially recognized at fair value with transaction costs recognized in net profit or loss as incurred, and then subsequently measured at fair value with changes in fair value generally recognized in net profit or loss unless hedge accounting is applied where changes in cash flows from the hedging instrument can offset changes in cash flows from the hedged item to an extent that an objective assessment that the hedging relationship meets the hedge effectiveness requirements can be made.

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship between the hedging instruments and the hedged items, NIDEC's risk management objective, strategy for undertaking the hedge, methods for assessing whether a hedging relationship meets the hedge effectiveness requirements and methods for measuring hedge effectiveness and hedge ineffectiveness. NIDEC judges that the hedge is effective if all of the following requirements are met:

- there is an economic relationship between the hedged item and the hedging instruments;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

NIDEC also formally assesses, both at and after the hedge's inception, whether the derivatives used in hedging transactions are effective in offsetting changes in cash flows of the hedged items. When it is determined that the hedge is not effective or that it has ceased to be effective, NIDEC discontinues hedge accounting prospectively.

Cash flow hedge is accounted for as follows:

When derivative instruments are designated as hedging instruments to offset against the change in cash flows arising from the specific risk that relates to recognized assets or liabilities or highly probable forecast transactions that could affect profit or loss, the effective portion of changes in fair value of derivatives is recognized as cash flow hedges in other components of equity. The ineffective portion of changes in fair value of hedging derivative instruments is recognized in net profit or loss.

The balance of cash flow hedges in other comprehensive income in the consolidated statements of comprehensive income is reclassified to the same accounting item as hedged item in the statements of income in the same period or periods during which the hedged expected future cash flows affect profit for the year. However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventories, property, plant and equipment, etc.) or a liability, the gains and losses previously deferred in equity are transferred from equity and included directly in the initial cost or other carrying amount of the asset or liability.

If the transactions do not meet the criteria of hedge accounting, or if the hedging instruments expire, or are sold, terminated or exercised, or if the designations have been revoked, the application of hedge accounting shall be prospectively terminated. When a cash flow hedge is discontinued, the balance of cash flow hedges already recognized in other comprehensive income remain in the same account until forecast transaction impacts profit for the year. If it is probable that the forecast transaction will not occur, the balance of cash flow hedge is transferred into net profit or loss immediately.

## (12) Income taxes

### (i) Current tax

Income tax expenses are comprised of current and deferred taxes, and recognized in net profit or loss, except for those recognized in other comprehensive income or directly in equity.

Income tax payables and income tax receivables at the end of the reporting period are calculated at the amount expected to be paid to or recovered from the taxation authority. Tax rates and tax laws used to calculate tax amounts have been enacted or substantively enacted up to the end of the reporting period.

Current taxes related to items that are recognized in other comprehensive income are recognized in other comprehensive income. Taxes related to items that are recognized directly in equity are recognized directly in equity.

Income tax receivables and income tax payables are offset if, NIDEC has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (ii) Deferred tax

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available to allow deductible temporary differences, unused tax losses, and unused tax credits to be utilized. The carrying amounts of the deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Unrecognized deferred tax assets are also reviewed for collectability at each reporting date, and are recognized to the extent that it is probable that the deferred tax assets will be collectible from future taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences in general.

Deferred tax assets and liabilities relating to following temporary differences are not recognized:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences arising from the initial recognition of assets and liabilities in transactions that are not business combinations, affect neither accounting nor taxable profit, and do not give rise to equal taxable and deductible temporary differences.
- Taxable temporary differences associated with investments in subsidiaries and associates when NIDEC is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Deferred tax assets and liabilities are offset only if NIDEC has a legally enforceable right to set off income tax receivables against income tax payables and either of the following criteria is met:

- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on different taxable entities which intend either to settle income tax receivables and income tax payables on a net basis, or to realize the assets and settle the liabilities simultaneously.

As part of the global minimum tax agreed upon by the Organization for Economic Cooperation and Development (OECD), the treatment of the Income Inclusion Rule (IIR) is stipulated as part of the Japanese tax reform. As a result, if the effective tax rate calculated by country is lower than the standard tax rate (15%), the Ultimate Parent Entity(UPE) files and pays tax in Japan up to the standard tax rate on net income (profit) aggregated by country (top-up taxation). In addition, NIDEC applies the exceptional provisions regarding the recognition and disclosure of deferred tax assets and deferred tax liabilities related to corporate income taxes that arise from tax laws related to this rule, and does not recognize any deferred tax assets or deferred tax liabilities as of the end of each fiscal year.

### (13) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefits such as wages, salaries, social security contributions and other non-monetary benefits are not discounted and recognized as an expense when an employee has rendered service to NIDEC.

NIDEC recognizes the cost of bonus payments estimated in accordance with its bonus plan as a liability when NIDEC has a present legal or constructive obligation to make such payments as a result of past services provided by employees and a reliable estimate of the obligation can be made.

In addition, NIDEC and certain subsidiaries whose bonus payment periods coincide with their consolidated fiscal years do not recognize any provision for bonuses as of the end of the current consolidated fiscal year.

#### (ii) Retirement benefits

Retirement benefits of NIDEC include defined benefits and defined contribution plans.

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets and they are recognized in the consolidated statements of financial position as assets or liabilities. The ceiling of the amount recorded as assets based on this calculation is the present value of any future economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation is calculated by using the projected unit credit method. The present value of the defined benefit obligation is calculated by the expected future payments using discount rate. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognized in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest, and any change in the effect of the asset ceiling, are recognized as incurred in other comprehensive income under "remeasurement of defined benefit plans", and transferred therefrom to retained earnings immediately.

Contributions paid for defined contribution plans are expensed on the due date of the contribution payable.

### (14) Provisions

Provisions are recognized when NIDEC has present legal or constructive obligations as a result of past events, it is probable that the settlement of the obligations will be required, and reliable estimates of the obligations can be made.

The detail of the major provision is as follows:

#### (Provision for product warranties)

NIDEC provides warranties for specific products and services for a certain period. Accordingly, NIDEC recognizes a provision for product warranties based on reasonable estimates of warranty costs, taking into account historical experience and future expectations. The majority of the associated outflows of economic benefits are estimated to occur in the subsequent year.

#### (Provision for contract losses)

NIDEC recognizes a provision for onerous contracts when the unavoidable costs of fulfilling a contract exceed the economic benefits expected to be received under that contract. The expected outflow of economic benefits associated with these onerous contracts will occur when unavoidable development and material costs are incurred to sell the products and is expected to occur primarily beyond one year after the end of the consolidated fiscal year.

### (15) Share-based payment

NIDEC has adopted a performance-linked share-based compensation plan (the "Plan"). NIDEC has adopted equity-settled share-based payments and cash-settled share-based payments.

#### (i) Equity-settled share-based payments

Equity-settled share-based payments measured with the Plan is measured the received services by fair value of the shares of the company at the grant date, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in additional paid-in capital.

(ii) Cash-settled share-based payments

Cash-settled share-based payments measured with the Plan is measured the received services by the fair value of the liabilities, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in the liabilities. The fair value of the liabilities are remeasured at the end of the year and the settlement date, with changes in the fair value recognized in profit or loss.

(16) Revenue recognition

NIDEC recognizes revenues based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each performance obligation in the contract.

Step 5: An entity recognizes revenue when a performance obligation is satisfied.

(i) Sales of goods

NIDEC manufactures and sells small precision motors, automotive products, certain appliance, commercial and industrial products, certain machinery, and electronic and optical components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Construction contracts

Additionally, for certain appliance, commercial and industrial products and certain machinery, NIDEC transfers control of a good or service over time and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales of certain appliance, commercial and industrial products and certain machinery based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by the contract.

(iii) Contract assets and Contract liabilities

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

(iv) Assets recognized from the costs to obtain or fulfill a contract with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer that are directly associated with the contract are recognized as an asset, if those costs are expected to be recoverable. The assets recognized from the costs to obtain or fulfill a contract with a customer are amortized over the period for which the services based on a contract are provided.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The costs incurred in fulfilling contracts with customers are recognized as assets when those costs are not within the scope of another accounting standard, are directly related to a contract or an anticipated contract that can be specifically identified, are expected to be recovered, and generate or enhance resources that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(17) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset and remain in assets until the intended use or sale is capable. Other borrowing costs are recognized as an expense in the consolidated statements of income in the period in which they are incurred.

(18) Common stock, additional paid-in capital, and treasury stock

(i) Ordinary shares

Proceeds from the issuance of ordinary shares by the Company are included in common stock and additional paid-in capital. Transaction costs of issuing ordinary shares (net of tax) are deducted from additional paid-in capital.

(ii) Treasury stock

When the Company reacquires its own equity instruments (treasury stock), the amount of the consideration paid including transaction costs is deducted from equity. NIDEC never recognizes profit and loss when it purchases, sells and disposes treasury stock. When the Company sells treasury stock, the difference between the carrying amount and the consideration received from the sale is recognized in additional paid-in capital.

(19) Fair value estimation

NIDEC measures derivative financial instruments and financial instruments measured at fair value using their fair values at the end of the period. See "Note 36. Fair values" for the definition of fair value and inputs (i.e. various presumptions) used to develop those measurements.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period.

(20) Earnings per share

Basic earnings per share attributable to owners of the parent are calculated by dividing profit for the year attributable to owners of the parent by the weighted-average number of ordinary shares outstanding during the reporting period adjusted by the treasury stocks held.

The calculation of diluted earnings per share attributable to owners of the parent is similar to the calculation of basic earnings per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential ordinary shares equivalents such as convertible bonds and share acquisition rights.

#### **4. Significant accounting estimates, judgments and assumptions**

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and the assumptions are reviewed on an ongoing basis, and the effects resulting from the revisions of accounting estimates are recognized in the period in which the estimates are revised and in future periods.

Judgments and estimates with significant risks of causing material adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows:

- Impairment of non-financial assets (see Notes 3 (10) and 16)
- Collectability of receivables (see Notes 3 (11), 10 and 40)
- Retirement benefit liabilities (see Notes 3 (13) and 24)
- Recoverability of deferred tax assets (see Notes 3 (12) and 26)
- Provisions (see Notes 3 (14) and 27)
- Fair value of financial instruments (see Notes 3 (19) and 36)
- Contingent liabilities (see Notes 3 (14) and 41)

## 5. Segment information

### (Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments. The operating segments have not been aggregated.

NIDEC's operating segments are as follows:

| Name                              | Main products                                                                                                                                 |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 1. SPMS                           | Hard disk drives spindle motors and other small precision motors                                                                              |
| 2. AMEC                           | Automotive products                                                                                                                           |
| 3. MOEN                           | Appliance, commercial and industrial products                                                                                                 |
| 4. ACIM                           | Appliance, commercial and industrial products                                                                                                 |
| 5. Nidec Machinery and Automation | Machinery, machine tools                                                                                                                      |
| 6. Group Company Business         | Automotive products, appliance, commercial and industrial products, machinery, electronic components, other small precision motors and others |

The following tables show net sales to external customers and other financial information by operating segment:

-Net sales to external customers:

(Yen in millions)

|                                | For the years ended March 31, |           |
|--------------------------------|-------------------------------|-----------|
|                                | 2025                          | 2026      |
|                                | (Restated)                    |           |
| SPMS                           | 391,372                       | 403,997   |
| AMEC                           | 350,132                       | 363,330   |
| MOEN                           | 573,846                       | 702,824   |
| ACIM                           | 462,342                       | 441,190   |
| Nidec Machinery and Automation | 209,352                       | 203,776   |
| Group Company Business         | 619,303                       | 593,588   |
| Consolidated net sales         | 2,606,347                     | 2,708,705 |

(Note) The above amounts no longer include discontinued operations.

There was no certain customer group which exceeded 10% of the consolidated net sales for the years ended March 31, 2026 and 2025.

-Net sales to other operating segments:

(Yen in millions)

|                                | For the years ended March 31, |          |
|--------------------------------|-------------------------------|----------|
|                                | 2025                          | 2026     |
|                                | (Restated)                    |          |
| SPMS                           | 4,323                         | 2,986    |
| AMEC                           | 4,821                         | 6,753    |
| MOEN                           | 3,986                         | 3,705    |
| ACIM                           | 5,507                         | 2,801    |
| Nidec Machinery and Automation | 7,538                         | 7,812    |
| Group Company Business         | 46,770                        | 41,759   |
| Total                          | 72,945                        | 65,816   |
| Intersegment elimination       | (72,945)                      | (65,816) |
| Consolidated net sales         | -                             | -        |

(Note) The above amounts no longer include discontinued operations.

-Segment profit/loss:

(Yen in millions)

|                                                                                 | For the years ended March 31, |           |
|---------------------------------------------------------------------------------|-------------------------------|-----------|
|                                                                                 | 2025                          | 2026      |
|                                                                                 | (Restated)                    |           |
| SPMS                                                                            | 44,386                        | 62,844    |
| AMEC                                                                            | 53                            | (25,089)  |
| MOEN                                                                            | 68,919                        | (72,573)  |
| ACIM                                                                            | 35,668                        | (289,333) |
| Nidec Machinery and Automation                                                  | (84,926)                      | (13,827)  |
| Group Company Business                                                          | 79,175                        | (131,711) |
| Total                                                                           | 143,275                       | (469,689) |
| Elimination and Corporate (Note)                                                | (15,053)                      | (49,289)  |
| Operating profit (loss)                                                         | 128,222                       | (518,978) |
| Financial income (expenses)                                                     | 12,174                        | 10,125    |
| Derivative gain (loss)                                                          | (694)                         | (1,033)   |
| Foreign exchange differences                                                    | (11,947)                      | 14,682    |
| Share of net profit (loss) of investments accounted for using the equity method | (3,179)                       | (1,010)   |
| Profit (loss) before income taxes                                               | 124,576                       | (496,214) |

(Notes)\*1. "Elimination and corporate" includes corporate expenses, which do not belong to any operating segment, of ¥49,751 million and ¥16,140 million for the years ended March 31, 2026 and 2025, respectively. The corporate expenses include basic research expenses and head office expenses.

\*2. The above amounts no longer include discontinued operations.

\*3. The company has recorded impairment losses of Non-financial assets ¥18,387 million in the "AMEC" segment and has recorded impairment losses of Non-financial assets ¥116,287 million in the "MOEN" segment and has recorded impairment losses of Non-financial assets ¥298,800 million in the "ACIM" segment for the year ended March 31, 2026.

-Depreciation:

(Yen in millions)

|                                | For the years ended March 31, |          |
|--------------------------------|-------------------------------|----------|
|                                | 2025                          | 2026     |
|                                | (Restated)                    |          |
| SPMS                           | 18,694                        | 16,857   |
| AMEC                           | 3,745                         | 4,990    |
| MOEN                           | 18,258                        | 25,213   |
| ACIM                           | 18,379                        | 18,916   |
| Nidec Machinery and Automation | 9,162                         | 3,582    |
| Group Company Business         | 28,979                        | 29,139   |
| Subtotal                       | 97,217                        | 98,697   |
| Others (Note)                  | (16,555)                      | (20,229) |
| Corporate                      | 2,281                         | 2,144    |
| Total                          | 82,943                        | 80,612   |

(Note) The depreciation of each segment includes amortization of intangible assets, etc., while depreciation in the consolidated statements of cash flows does not include the amortization of intangible assets, etc. Therefore, “Others” removes the amount of the amortization of intangible assets, etc.

In the AMEC segment, the impairment loss of ¥19,490 million is recognized during the fiscal year ended March 31, 2025, and in the Nidec Machinery and Automation segment, the impairment loss of ¥95,277 million is recognized during the fiscal year ended March 31, 2025. In the AMEC segment, the impairment loss of ¥18,387 million is recognized during the fiscal year ended March 31, 2026, in the MOEN segment, the impairment loss of ¥116,287 million is recognized during the fiscal year ended March 31, 2026, in the ACIM segment, the impairment loss of ¥298,800 million is recognized during the fiscal year ended March 31, 2026, and in the Group Company Business segment, the impairment loss of ¥189,699 million is recognized during the fiscal year ended March 31, 2026. NIDEC does not have any other significant non-cash transactions except for the depreciation and the impairment loss described above. Transactions between the operating segments are conducted at market value.

(Supplemental information)

-Net sales by type of product

Net sales by type of product are as follows:

(Yen in millions)

|                                               | For the years ended March 31, |           |
|-----------------------------------------------|-------------------------------|-----------|
|                                               | 2025                          | 2026      |
|                                               | (Restated)                    |           |
| Small precision motors:                       |                               |           |
| Hard disk drives spindle motors               | 100,339                       | 110,152   |
| Other small precision motors                  | 387,655                       | 388,544   |
| Subtotal                                      | 487,994                       | 498,696   |
| Automotive products                           | 666,791                       | 718,309   |
| Appliance, commercial and industrial products | 1,052,308                     | 1,104,605 |
| Machinery                                     | 310,532                       | 298,782   |
| Electronic and optical components             | 85,190                        | 84,560    |
| Other products                                | 3,532                         | 3,753     |
| Consolidated net sales                        | 2,606,347                     | 2,708,705 |

(Notes) 1. "Small precision motors" consists of "hard disk drives spindle motors" and "other small precision motors". "Other small precision motors" consists of brushless motors, fan motors, vibration motors, brush motors, water-cooling modules and motor applications, etc.

"Automotive products" consists of automotive motors, components and traction motor system.

"Appliance, commercial and industrial products" consists of home appliance, commercial and industrial motors and related products.

"Machinery" consists of industrial robots, card readers, test systems, press machines, power transmission drives and machine tools, etc.

"Electronic and optical components" consists of switches, sensors, lens units and camera shutters, etc.

"Other products" consists of music boxes and services, etc.

2. The above amounts no longer include discontinued operations.

-Geographic information

Net sales attributed to countries based on the location of the Company or its subsidiaries that transacted with external customers and non-current assets for each country are as follows:

Net sales

(Yen in millions)

|                        | For the years ended March 31, |           |
|------------------------|-------------------------------|-----------|
|                        | 2025                          | 2026      |
|                        | (Restated)                    |           |
| Japan                  | 402,125                       | 392,650   |
| China                  | 549,835                       | 563,489   |
| Other Asia             | 350,159                       | 362,066   |
| U.S.A.                 | 594,627                       | 617,423   |
| Europe                 | 596,326                       | 670,455   |
| Others                 | 113,275                       | 102,622   |
| Consolidated net sales | 2,606,347                     | 2,708,705 |

(Note) Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : France, Germany, Italy

Others : Brazil, Mexico, Canada

Non-current assets (Property, plant and equipment, Goodwill, Intangible assets and Long-term prepaid expenses)

(Yen in millions)

|                          | As of March 31, 2025 | As of March 31, 2026 |
|--------------------------|----------------------|----------------------|
|                          | (Restated)           |                      |
| Japan                    | 236,482              | 113,247              |
| China                    | 162,937              | 117,259              |
| Other Asia               | 133,378              | 116,984              |
| U.S.A.                   | 215,288              | 122,465              |
| Europe                   | 356,191              | 229,295              |
| Others                   | 150,859              | 56,196               |
| Total non-current assets | 1,255,135            | 755,446              |

(Note) Major countries which belong to segments are as follows:

Other Asia : Vietnam, Thailand, Singapore

Europe : France, Italy, Germany

Others : Brazil, Mexico, Canada

## 6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. NIDEC has negotiated the purchase price adjustment and the other factors of the consideration for the sales with Orlando Management AG and ESSVP IV, but NIDEC did not reach an agreement. As the result, NIDEC submitted the request for an arbitration to the German Arbitration Institute(DIS) on January 12, 2021 and commenced arbitration with Secop. After approximately 26 months of discussions, Nidec reached a settlement agreement with Secop on March 2023, and the arbitration concluded. However, some selling costs are still expected to arise in the future.

### (1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

### (2) Name of the transferee company and date of the Transaction

|                                |                   |
|--------------------------------|-------------------|
| Name of the transferee company | ESSVP IV          |
| Date of the Transaction        | September 9, 2019 |

### (3) Name of the company to be transferred, major business and name of operating segment

|                           |                                      |
|---------------------------|--------------------------------------|
| Name of the company       | Secop                                |
| Major business            | Compressor business for refrigerator |
| Name of operating segment | ACIM                                 |

### (4) Transition of ownership ratio for the company

|                                     |      |
|-------------------------------------|------|
| Ownership ratio before the transfer | 100% |
| Transferred ownership ratio         | 100% |
| Ownership ratio after the transfer  | -    |

(5) Profit (loss) for the period from discontinued operations

(Yen in millions)

|                                                       | For the year ended March 31, |      |
|-------------------------------------------------------|------------------------------|------|
|                                                       | 2024                         | 2025 |
|                                                       | (Restated)                   |      |
| Other loss                                            | (204)                        | (51) |
| Loss before income taxes from discontinued operations | (204)                        | (51) |
| Loss for the period from discontinued operations      | (204)                        | (51) |

(Note) On April 12, 2019, Secop was excluded from consolidation due to loss of control.

(6) Cash flows from the discontinued operations

(Yen in millions)

|                                                     | For the years ended March 31, |       |
|-----------------------------------------------------|-------------------------------|-------|
|                                                     | 2024                          | 2025  |
|                                                     | (Restated)                    |       |
| Net cash provided (used in) by operating activities | -                             | -     |
| Net cash (used in) provided by investing activities | (207)                         | (111) |
| Net cash used in financing activities               | -                             | -     |
| Total                                               | (207)                         | (111) |

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Net cash (used in) provided by investing activities includes net cash related to sales of Secop.

## 7. Business combinations

On July 8, 2025, NIDEC has acquired full ownership of Changzhou Xecom Energy Technologies Co., Ltd. (currently, Nidec Scroll Technology (Changzhou) Co., Ltd. “Scroll”), from its investors of ¥6,049 million (¥5,710 million was paid for cash, but ¥339 million is outstanding payment). Scroll designs and productions of high performance scroll compressors for air conditioning, heat pump and refrigeration. Through the transaction, NIDEC will be able to expand and consolidate its presence in the refrigeration segment and make it able to join new fields in the air conditioning and heat pump markets. This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

(Purchase price allocation to the assets and the liabilities)

During the three months ended September 30, 2025, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Linear Transfer Automation Inc., Linear Automation USA Inc., and Presstrader Limited. NIDEC’s consolidated financial statements for the year ended March 31, 2025 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2025 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

|                                                           | Retrospective amendment |
|-----------------------------------------------------------|-------------------------|
| Non-current assets                                        |                         |
| Intangible assets                                         | 1,251                   |
| Acquired assets at fair value                             | 1,251                   |
| Current liabilities                                       |                         |
| Trade and other payables                                  | (47)                    |
| Non-current liabilities                                   |                         |
| Deferred tax liabilities                                  | 209                     |
| Assumed liabilities at fair value                         | 162                     |
| Net fair value of acquired assets and assumed liabilities | 1,413                   |
| Goodwill                                                  | (1,291)                 |

For further information on the changes in goodwill, refer to "15. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

(Yen in millions)

|                        | Weighted average amortization period | Retrospective amendment |
|------------------------|--------------------------------------|-------------------------|
| Trademark rights       | No amortization                      | 464                     |
| Customer relationships | 20 years                             | 787                     |

Effect on the consolidated statement of income for the year ended March 31, 2025 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

|                                             | Retrospective amendment |
|---------------------------------------------|-------------------------|
| Operating profit                            | (279)                   |
| Profit before income taxes                  | (279)                   |
| Profit attributable to owners of the parent | (206)                   |

During the three months ended June 30, 2026, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Changzhou Xecom Energy Technologies Co., Ltd. (currently, Nidec Scroll Technology (Changzhou) Co., Ltd. "Scroll"). NIDEC's consolidated financial statements for the year ended March 31, 2026 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2026 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the current fiscal year is as follows:

(Yen in millions)

|                                                           | Amendment |
|-----------------------------------------------------------|-----------|
| Current assets                                            |           |
| Inventories                                               | 68        |
| Other current assets                                      | (33)      |
| Non-current assets                                        |           |
| Property, plant and equipment                             | 52        |
| Intangible assets                                         | 2,399     |
| Acquired assets at fair value                             | 2,486     |
| Non-current liabilities                                   |           |
| Deferred tax liabilities                                  | 515       |
| Other non current Liabilities                             | 24        |
| Assumed liabilities at fair value                         | 539       |
| Net fair value of acquired assets and assumed liabilities | 1,947     |
| Goodwill                                                  | (2,118)   |

For further information on the changes in goodwill, refer to "15. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

(Yen in millions)

|                               | Weighted average amortization period | Amendment |
|-------------------------------|--------------------------------------|-----------|
| Trademark rights              | 15 years                             | 216       |
| Customer relationships        | 6 years                              | 709       |
| Capitalized development costs | 17 years                             | 1,468     |
| Software                      | 6 years                              | 6         |

Effect on the consolidated statement of income for the year ended March 31, 2026 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the current fiscal year is as follows:

(Yen in millions)

|                                             | Amendment |
|---------------------------------------------|-----------|
| Operating profit                            | (177)     |
| Profit before income taxes                  | (177)     |
| Profit attributable to owners of the parent | (177)     |

## 8. Cash and cash equivalents

Cash and cash equivalents are classified as financial assets measured at amortized cost. The breakdown of cash and cash equivalents is as follows:

(Yen in millions)

|                                                                            | March 31, 2025 | March 31, 2026 |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | (Restated)     |                |
| Cash on hand                                                               | 16,604         | 12,797         |
| Cash in banks                                                              | 226,779        | 838,362        |
| Cash equivalents                                                           | 2,871          | 1,045          |
| Cash and cash equivalents in consolidated statements of financial position | 246,254        | 852,204        |
| Cash and cash equivalents in consolidated statements of cash flows         | 246,254        | 852,204        |

Cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cash equivalents consist mainly of time deposit within 3 months and short-term investment.

## 9. Supplemental cash flow information

The supplemental information associated with cash flow is as follows:

(Yen in millions)

|                                              | For the years ended March 31, |        |
|----------------------------------------------|-------------------------------|--------|
|                                              | 2025                          | 2026   |
|                                              | (Restated)                    |        |
| Non-cash investing and financing activities: |                               |        |
| Accrued amount of lease liabilities          | 12,073                        | 23,011 |

## 10. Trade and other receivables

Trade and other receivables are classified as financial assets measured at amortized cost. The breakdown of trade and other receivable is as follows:

(Yen in millions)

|                                         | March 31, 2025 | March 31, 2026 |
|-----------------------------------------|----------------|----------------|
|                                         | (Restated)     |                |
| Notes receivable                        | 36,121         | 38,530         |
| Electronically recorded monetary claims | 16,630         | 18,264         |
| Trade receivable                        | 564,938        | 606,418        |
| Other accounts receivable               | 78,080         | 86,495         |
| Expected credit loss allowances         | (9,180)        | (13,195)       |
| Total                                   | 686,589        | 736,512        |

## 11. Other financial assets

The breakdown of other financial assets is as follows:

(Yen in millions)

|                    | March 31, 2025 | March 31, 2026 |
|--------------------|----------------|----------------|
|                    | (Restated)     |                |
| Derivatives assets | 692            | 1,997          |
| Advances paid      | 548            | 648            |
| Other              | 57             | 166            |
| Total              | 1,297          | 2,811          |

## 12. Inventories

The breakdown of inventories is as follows:

(Yen in millions)

|                                   | March 31, 2025 | March 31, 2026 |
|-----------------------------------|----------------|----------------|
|                                   | (Restated)     |                |
| Merchandise and finished products | 173,867        | 184,316        |
| Raw materials                     | 232,686        | 239,470        |
| Work in progress                  | 101,581        | 120,185        |
| Supplies and other                | 22,302         | 17,016         |
| Total                             | 530,436        | 560,987        |

The acquisition costs of inventories that were recognized as expenses for the year ended March 31, 2025 were mainly included in "cost of sales". The amounts of write-down of inventories for the years ended March 31, 2024 and 2025 were ¥7,100 million and ¥10,287 million, respectively.

## 13. Other current assets

The breakdown of other current assets is as follows:

(Yen in millions)

|                  | March 31, 2025 | March 31, 2026 |
|------------------|----------------|----------------|
|                  | (Restated)     |                |
| Prepaid expenses | 17,584         | 18,070         |
| Contract assets  | 42,528         | 59,477         |
| Advance payments | 11,225         | 15,908         |
| Other            | 8,306          | 7,929          |
| Total            | 79,643         | 101,384        |

#### 14. Property, plant and equipment

The breakdown of "property, plant and equipment" in the consolidated statements of financial position is as follows:

(Yen in millions)

|                               | March 31, 2025 | March 31, 2026 |
|-------------------------------|----------------|----------------|
|                               | (Restated)     |                |
| Property, plant and equipment | 626,673        | 418,158        |
| Right-of-use assets           | 41,829         | 31,555         |
| Total                         | 668,502        | 449,713        |

For changes in the right-of-use assets, refer to "39. Leases".

Changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment are as follows:

(Acquisition costs)

(Yen in millions)

| (Restated)                                 | Land    | Buildings | Machinery and equipment | Construction in progress | Total     |
|--------------------------------------------|---------|-----------|-------------------------|--------------------------|-----------|
| Balance at April 1, 2024                   | 80,647  | 376,127   | 1,169,349               | 105,783                  | 1,731,906 |
| Acquisitions                               | 744     | 8,590     | 35,173                  | 81,799                   | 126,306   |
| Acquisitions through business combinations | -       | 2,806     | 11,122                  | 32,361                   | 46,289    |
| Disposals                                  | (360)   | (3,186)   | (28,288)                | (3,654)                  | (35,488)  |
| Reclassification                           | 427     | 8,724     | 62,756                  | (81,510)                 | (9,603)   |
| Foreign currency translation adjustments   | (975)   | (2,848)   | (10,154)                | (2,590)                  | (16,567)  |
| Others                                     | (85)    | (418)     | (828)                   | 391                      | (940)     |
| Balance at March 31, 2025                  | 80,398  | 389,795   | 1,239,130               | 132,580                  | 1,841,903 |
| Acquisitions                               | 1,396   | 11,042    | 30,395                  | 71,344                   | 114,177   |
| Acquisitions through business combinations | -       | -         | 411                     | 72                       | 483       |
| Disposals                                  | (1,235) | (8,900)   | (47,777)                | (1,719)                  | (59,631)  |
| Reclassification                           | 1,893   | 9,779     | 55,702                  | (68,155)                 | (781)     |
| Foreign currency translation adjustments   | 3,501   | 25,794    | 112,373                 | 11,774                   | 153,442   |
| Others                                     | 14      | 208       | 4,903                   | (6,797)                  | (1,672)   |
| Balance at March 31, 2026                  | 85,967  | 427,718   | 1,395,137               | 139,099                  | 2,047,921 |

## (Accumulated depreciation and impairment losses)

(Yen in millions)

| (Restated)                               | Land    | Buildings | Machinery and equipment | Construction in progress | Total       |
|------------------------------------------|---------|-----------|-------------------------|--------------------------|-------------|
| Balance at April 1, 2024                 | (1,946) | (201,269) | (864,546)               | (46,753)                 | (1,114,514) |
| Depreciation                             | -       | (11,517)  | (59,633)                | -                        | (71,150)    |
| Impairment losses                        | -       | (16,250)  | (48,997)                | (10,752)                 | (75,999)    |
| Reversal of impairment losses            | 465     | 31        | 1,383                   | 109                      | 1,988       |
| Disposals                                | -       | 2,661     | 27,505                  | 2,546                    | 32,712      |
| Reclassification                         | 443     | 340       | (12,976)                | 14,278                   | 2,085       |
| Foreign currency translation adjustments | (4)     | 739       | 7,912                   | 34                       | 8,681       |
| Changes in the scope of consolidation    | -       | -         | (2,474)                 | -                        | (2,474)     |
| Others                                   | -       | (370)     | 3,899                   | (88)                     | 3,441       |
| Balance at March 31, 2025                | (1,042) | (225,635) | (947,927)               | (40,626)                 | (1,215,230) |
| Depreciation                             | -       | (11,452)  | (58,640)                | -                        | (70,092)    |
| Impairment losses                        | -       | (60,753)  | (176,477)               | (60,283)                 | (297,513)   |
| Reversal of impairment losses            | 661     | 117       | 696                     | 236                      | 1,710       |
| Disposals                                | 293     | 5,994     | 45,346                  | 1,467                    | 53,100      |
| Reclassification                         | (1,459) | (2,156)   | (8,339)                 | 11,906                   | (48)        |
| Foreign currency translation adjustments | 14      | (15,497)  | (86,793)                | (3,187)                  | (105,463)   |
| Changes in the scope of consolidation    | -       | -         | -                       | -                        | -           |
| Others                                   | -       | (256)     | (352)                   | 4,381                    | 3,773       |
| Balance at March 31, 2026                | (1,533) | (309,638) | (1,232,486)             | (86,106)                 | (1,629,763) |

## (Carrying amounts)

(Yen in millions)

|                                         | Land   | Buildings | Machinery and equipment | Construction in progress | Total   |
|-----------------------------------------|--------|-----------|-------------------------|--------------------------|---------|
| Balance at April 1, 2024<br>(Restated)  | 78,701 | 174,858   | 304,803                 | 59,030                   | 617,392 |
| Balance at March 31, 2025<br>(Restated) | 79,356 | 164,160   | 291,203                 | 91,954                   | 626,673 |
| Balance at March 31, 2026               | 84,434 | 118,080   | 162,651                 | 52,993                   | 418,158 |

(Note) "Construction in progress" includes the amount of expenditures related to property, plant and equipment in the course of its construction.

Depreciation of property, plant and equipment is included in "cost of sales", "selling, general and administrative expenses" and "research and development expenses" in the consolidated statements of income. Impairment loss of property, plant and equipment is included in "selling, general and administrative expenses" in the consolidated statements of income.

## 15. Goodwill and intangible assets

The breakdown of "goodwill" and "intangible assets" in the consolidated statements of financial position is as follows:

(Yen in millions)

|                    | March 31, 2025 | March 31, 2026 |
|--------------------|----------------|----------------|
|                    | (Restated)     |                |
| Goodwill           | 355,694        | 170,238        |
| Intangible assets  | 222,380        | 129,539        |
| Right-of-use asset | 0              | -              |
| Total              | 578,074        | 299,777        |

For changes in the right-of-use assets, refer to "39. Leases".

Changes in acquisition costs, accumulated amortization and impairment losses and carrying amounts of goodwill and intangible assets are as follows:

(Acquisition costs)

(Yen in millions)

| (Restated)                                 | Goodwill | Customer relationships | Proprietary technology | Software | Capitalized development costs | Others | Total   |
|--------------------------------------------|----------|------------------------|------------------------|----------|-------------------------------|--------|---------|
| Balance at April 1, 2024                   | 393,067  | 153,124                | 25,117                 | 49,898   | 60,315                        | 91,682 | 773,203 |
| Acquisitions                               | -        | -                      | 7                      | 4,570    | -                             | 609    | 5,186   |
| Internally developed                       | -        | -                      | -                      | -        | 13,352                        | -      | 13,352  |
| Acquisitions through business combinations | 12,747   | 8,958                  | -                      | -        | 17,334                        | 1,022  | 40,061  |
| Disposals                                  | (110)    | -                      | -                      | (2,460)  | (438)                         | (164)  | (3,172) |
| Foreign currency translation adjustment    | 264      | (2,235)                | (231)                  | (832)    | (2,646)                       | (887)  | (6,567) |
| Others                                     | (120)    | 93                     | -                      | (395)    | 5,696                         | 141    | 5,415   |
| Balance at March 31, 2025                  | 405,848  | 159,940                | 24,893                 | 50,781   | 93,613                        | 92,403 | 827,478 |
| Acquisitions                               | -        | 56                     | -                      | 4,323    | -                             | 320    | 4,699   |
| Internally developed                       | -        | -                      | -                      | -        | 12,984                        | -      | 12,984  |
| Acquisitions through business combinations | 1,654    | 802                    | -                      | 14       | 1,500                         | 224    | 4,194   |
| Disposals                                  | -        | (1)                    | -                      | (2,595)  | (3,498)                       | (566)  | (6,660) |
| Foreign currency translation adjustment    | 24,663   | 12,497                 | 2,638                  | 3,119    | 10,127                        | 7,292  | 60,336  |
| Others                                     | (5)      | 158                    | -                      | 992      | 48                            | 14     | 1,207   |
| Balance at March 31, 2026                  | 432,160  | 173,452                | 27,531                 | 56,634   | 114,774                       | 99,687 | 904,238 |

## (Accumulated amortization and impairment losses)

(Yen in millions)

| (Restated)                              | Goodwill  | Customer relationships | Proprietary technology | Software | Capitalized development costs | Others   | Total     |
|-----------------------------------------|-----------|------------------------|------------------------|----------|-------------------------------|----------|-----------|
| Balance at April 1, 2024                | (30,313)  | (70,184)               | (15,494)               | (32,515) | (36,090)                      | (10,754) | (195,350) |
| Amortization                            | -         | (7,783)                | (1,178)                | (4,027)  | (3,853)                       | (645)    | (17,486)  |
| Impairment losses                       | (20,465)  | (5,648)                | (1,202)                | (5,647)  | (1,139)                       | (7,075)  | (41,176)  |
| Disposals                               | -         | -                      | -                      | 2,363    | (2)                           | 160      | 2,521     |
| Foreign currency translation adjustment | 624       | 1,145                  | 170                    | 995      | 309                           | 208      | 3,451     |
| Others                                  | -         | 9                      | -                      | (509)    | (745)                         | (119)    | (1,364)   |
| Balance at March 31, 2025               | (50,154)  | (82,461)               | (17,704)               | (39,340) | (41,520)                      | (18,225) | (249,404) |
| Amortization                            | -         | (7,147)                | (674)                  | (3,937)  | (7,317)                       | (707)    | (19,782)  |
| Impairment losses                       | (204,514) | (29,401)               | (139)                  | (5,378)  | (39,971)                      | (37,834) | (317,237) |
| Disposals                               | -         | 1                      | -                      | 2,527    | 3,454                         | 184      | 6,166     |
| Foreign currency translation adjustment | (7,254)   | (7,267)                | (2,258)                | (2,327)  | (3,278)                       | (1,946)  | (24,330)  |
| Others                                  | -         | -                      | -                      | 143      | (65)                          | 48       | 126       |
| Balance at March 31, 2026               | (261,922) | (126,275)              | (20,775)               | (48,312) | (88,697)                      | (58,480) | (604,461) |

## (Carrying amounts)

(Yen in millions)

|                                         | Goodwill | Customer relationships | Proprietary technology | Software | Capitalized development costs | Others*1 | Total   |
|-----------------------------------------|----------|------------------------|------------------------|----------|-------------------------------|----------|---------|
| Balance at April 1, 2024<br>(Restated)  | 362,754  | 82,940                 | 9,623                  | 17,383   | 24,225                        | 80,928   | 577,853 |
| Balance at March 31, 2025<br>(Restated) | 355,694  | 77,479                 | 7,189                  | 11,441   | 52,093                        | 74,178   | 578,074 |
| Balance at March 31, 2026               | 170,238  | 47,177                 | 6,756                  | 8,322    | 26,077                        | 41,207   | 299,777 |

(Note) Others are mainly trademarks.

Amortization of intangible assets is included in "costs of sales", "selling, general and administrative expenses" and "research and development costs" of consolidated statements of income. Impairment loss of intangible assets is included in "selling, general and administrative expenses" of consolidated statements of income.

## 16. Impairment of non-financial assets

### (1) Impairment Losses

For the purpose of measuring impairment losses, NIDEC groups assets at the lowest level for which identifiable cash flows are largely independent of other cash flows. A business is generally treated as a cash-generating units (CGUs). Goodwill that arises from a business combination is allocated to cash-generating units (group) which are expected to receive a benefit from the synergies of the business combination. The impairment losses are included in “Selling, general and administrative expenses” on the Consolidated Statements of Income.

For the year ended March 31, 2025

(Yen in millions)

| Reporting segment              | Type of assets                                                               | Impairment losses |
|--------------------------------|------------------------------------------------------------------------------|-------------------|
| (Restated)                     |                                                                              |                   |
| SPMS                           | Machinery and equipment, etc.                                                | 1,164             |
| AMEC                           | Machinery and equipment, etc.                                                | 19,490            |
| MOEN                           | Trademarks, etc.                                                             | 371               |
| ACIM                           | Machinery and equipment                                                      | 1,126             |
| Nidec Machinery and Automation | Machinery and equipment, Goodwill, Buildings, Construction in progress, etc. | 95,277            |
| Group Company Business         | Construction in progress, Machinery and equipment, etc.                      | 5,441             |
| Total                          |                                                                              | 122,869           |

(Notes) 1. In addition to the above, an impairment loss of ¥4 million was recognized on corporate buildings that are not allocated to any reporting segment.

#### 1) Impairment of goodwill and equipment, etc. related to Nidec Drive Technology of the Nidec Machinery and Automation reporting segment

With respect to the goodwill related to Nidec Drive Technology in the Nidec Machinery and Automation segment, due to a decline in profitability of the Reducers business and Press machines business, NIDEC revised its business plan and performed an impairment test. As a result, the recoverable amount fell below the carrying amount, and NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount.

NIDEC recognized the reduction of the carrying amount of ¥95,277 million as impairment losses including ¥20,465 million of goodwill and ¥27,040 million of machinery and equipment.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 16.19% and a terminal value growth rate of 1.40%.

#### 2) Impairment of equipment, etc. related to the EV traction motor business and BSG business of the AMEC reporting segment

With respect to the EV traction motor business and BSG business of the AMEC reporting segment, due to continuously recording operating losses resulting from a decline in profitability, NIDEC revised its business plan and performed an impairment test. As a result, the recoverable amount fell below the carrying amount, and NIDEC reduced the carrying amount of non-current assets to its recoverable amount. NIDEC recognized the reduction of the carrying amount of ¥19,490 million as impairment losses including ¥17,406 million of machinery and equipment.

The recoverable amount reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a business plan (including sales forecast and cost forecast) for the period based on the remaining useful lives of the assets. The discount rates used in calculating the value in use are 8.31% and 9.34%, which are calculated on the basis of weighted average cost of capital before income tax of the cash-generating unit.

For the year ended March 31, 2026

(Yen in millions)

| Reporting segment              | Type of assets                                                    | Impairment losses |
|--------------------------------|-------------------------------------------------------------------|-------------------|
| SPMS                           | Machinery and equipment, etc.                                     | 1,935             |
| AMEC                           | Capitalized development costs, etc.                               | 18,387            |
| MOEN                           | Goodwill, Machinery and equipment, Construction in progress, etc. | 116,287           |
| ACIM                           | Goodwill, Machinery and equipment, Trademarks, etc.               | 298,800           |
| Nidec Machinery and Automation | Buildings, etc.                                                   | 7,027             |
| Group Company Business         | Goodwill, Machinery and equipment, etc.                           | 189,699           |
| Total                          |                                                                   | 632,135           |

(Notes) 1. In addition to the above, an impairment loss of ¥85 million was recognized on corporate buildings that are not allocated to any reporting segment.

1) Impairment of goodwill and equipment, etc. related to ACIM

With respect to the goodwill related to ACIM, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to a decline in the competitiveness resulting from intensified competition in the Chinese household appliance motor market. NIDEC recognized the reduction of the carrying amount of ¥298,800 million as impairment losses including ¥116,674 million of goodwill, ¥74,291 million of machinery and equipment and ¥36,819 million of trademarks .

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 13.21% and a terminal value growth rate of 2.41%.

2) Impairment of goodwill and equipment, etc. related to Nidec Mobility

With respect to the goodwill related to Nidec Mobility included in Group Company Business, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to a decline in profitability of the North America business. NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount. NIDEC recognized the reduction of the carrying amount of ¥73,126 million as impairment losses including ¥37,902 million of goodwill and ¥12,240 million of machinery and equipment.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 9.99% and a terminal value growth rate of 1.70%.

3) Impairment of goodwill and equipment, etc. related to Nidec-PSA emotors

With respect to the goodwill related to Nidec-PSA emotors included in the MOEN reporting segment, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to a decline in profitability resulting from the slowdown in the EV market growth. NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount.

NIDEC recognized the reduction of the carrying amount of ¥116,287 million as impairment losses including ¥10,941 million of goodwill and ¥33,531 million of machinery and equipment and ¥29,075 million of construction in progress.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 9.53% and a terminal value growth rate of 2.61%.

4) Impairment of goodwill and equipment, etc. related to Nidec Instruments

With respect to the goodwill related to Nidec Instruments included in Group Company Business, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to a decline in the profitability resulting from intensified competition in the Asian market. NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount. NIDEC recognized the reduction of the carrying amount of ¥56,072 million as impairment losses including ¥31,067 million of goodwill and ¥10,449 million of machinery and equipment.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 13.47% and a terminal value growth rate of 1.78%.

5) Impairment of goodwill and equipment, etc. related to Nidec Techno Motor

With respect to the goodwill related to Nidec Techno Motor included in Group Company Business, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to a decline in the profitability resulting from intensified competition in the Chinese market. NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount. NIDEC recognized the reduction of the carrying amount of ¥26,801 million as impairment losses including ¥2,049 million of goodwill and ¥20,205 million of machinery and equipment.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 12.54% and a terminal value growth rate of 1.70%.

6) Impairment of goodwill and equipment, etc. related to Nidec Powertrain Systems

With respect to the goodwill related to Nidec Powertrain Systems included in Group Company Business, NIDEC performed an impairment test and determined that the recoverable amount fell below the carrying amount due to the deterioration in profitability resulting from a decline in the competitiveness in the Chinese market. NIDEC reduced the carrying amount of the goodwill, machinery and equipment, etc. to its recoverable amount. NIDEC recognized the reduction of the carrying amount of ¥28,123 million as impairment losses including ¥1,038 million of goodwill and ¥18,378 million of machinery and equipment.

The recoverable amount is calculated using a value in use and the key assumptions are future cash flow based on a business plan, growth rate and discount rate. The value in use was determined using a pre-tax discount rate of 8.77% and a terminal value growth rate of 1.70%.

(2) Impairment Test for Goodwill and other assets

The carrying amount of goodwill and intangible assets with indefinite useful lives allocated to the unit (group) are as follows:

(Goodwill)

(Yen in millions)

| Reporting Segment              | CGU group                | March 31, 2025 | March 31, 2026 |
|--------------------------------|--------------------------|----------------|----------------|
|                                |                          | (Restated)     |                |
| SPMS                           | SPMS                     | 19,488         | 21,061         |
| MOEN                           | MOEN                     | 116,588        | 121,703        |
|                                | Nidec-PSA emotors        | 8,917          | -              |
| ACIM                           | ACIM                     | 106,912        | -              |
| Nidec Machinery and Automation | PAMA S.p.A.              | 2,584          | 2,971          |
| Group Company Business         | Nidec Instruments        | 30,967         | -              |
| Group Company Business         | Nidec Techno Motor       | 2,049          | -              |
| Group Company Business         | Nidec Mobility           | 37,902         | -              |
| Group Company Business         | Nidec Advance Technology | 2,340          | 2,461          |
| Group Company Business         | Nidec Precision          | 16,410         | 11,567         |
| Group Company Business         | Other                    | 11,537         | 10,475         |
| Total                          |                          | 355,694        | 170,238        |

(Intangible assets with indefinite useful lives)

(Yen in millions)

| Reporting Segment              | CGU                    | March 31, 2025 | March 31, 2026 |
|--------------------------------|------------------------|----------------|----------------|
|                                |                        | (Restated)     |                |
| MOEN                           | MOEN                   | 21,670         | 23,168         |
| ACIM                           | ACIM                   | 48,200         | 14,887         |
| Nidec Machinery and Automation | Nidec Drive Technology | 730            | 825            |
| Group Company Business         | Other                  | 5              | 5              |
| Total                          |                        | 70,605         | 38,885         |

Intangible assets with indefinite useful lives are mainly trademarks. Those trademarks were acquired through the business combination. NIDEC regards them as intangible assets with indefinite useful lives because those trademarks continue as long as business lasts.

NIDEC performs the impairment test of goodwill, intangible assets with indefinite useful lives and an intangible asset not yet available for use annually or whenever there is an indication of impairment.

The recoverable amount of the impairment test reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a management approved budget (including sales forecast and cost forecast) for five years. The discount rate used in goodwill impairment test is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit (8.77% - 17.11%), and the growth rate in the terminal value is determined based on the long term average growth rate of industries or countries to which each group of cash-generating unit belongs (1.70% - 2.61%).

The discount rates and growth rates used in calculating the recoverable amounts of groups of cash-generating units to which material goodwill has been allocated are as follows:

| CGU group | March 31, 2025 |             | March 31, 2026 |             |
|-----------|----------------|-------------|----------------|-------------|
|           | (Restated)     |             |                |             |
|           | Discount rate  | Growth rate | Discount rate  | Growth rate |
| MOEN      | 10.13%         | 2.41%       | 13.54%         | 2.40%       |

Even if key assumptions used in the impairment test change to a reasonably foreseeable extent, NIDEC believes that the occurrence of significant impairment losses is low for the groups of cash-generating units containing individually material goodwill.

## 17. Other investments

The breakdown of other investments is as follows:

(Yen in millions)

|                                              | March 31, 2025 | March 31, 2026 |
|----------------------------------------------|----------------|----------------|
|                                              | (Restated)     |                |
| Other investments                            |                |                |
| FVTOCI equity financial assets               | 31,299         | 40,862         |
| FVTOCI debt financial assets                 | 38             | 0              |
| Financial assets measured at amortized costs | 5,000          | -              |
| Total                                        | 36,337         | 40,862         |

NIDEC has designated shares held for the purpose of maintaining and strengthening business relationships with the issuers as FVTOCI equity financial assets. These FVTOCI equity financial assets consist mainly of ordinary shares. The FVTOCI equity financial assets and fair values of these assets are as follows:

As of March 31, 2025

(Yen in millions)

| Principal FVTOCI financial assets    | Fair value |
|--------------------------------------|------------|
| (Restated)                           |            |
| Canon Inc.                           | 3,498      |
| Brother Industries, Ltd.             | 3,018      |
| Mitsubishi UFJ Financial Group, Inc. | 2,557      |
| Eve Holding, Inc                     | 2,482      |
| Kyoto Financial Group, Inc.          | 2,445      |
| The Shiga Bank, Ltd.                 | 1,938      |
| Gore Street Energy Storage Fund PLC  | 1,544      |
| NICHICON Corporation                 | 1,450      |
| ROHM Co., Ltd.                       | 1,306      |
| HORIBA, Ltd.                         | 1,238      |

As of March 31, 2026

(Yen in millions)

| Principal FVTOCI financial assets    | Fair value |
|--------------------------------------|------------|
| Kyoto Financial Group, Inc.          | 4,364      |
| The Shiga Bank, Ltd.                 | 3,432      |
| Mitsubishi UFJ Financial Group, Inc. | 3,306      |
| Canon Inc.                           | 3,281      |
| Brother Industries, Ltd.             | 3,218      |
| ROHM Co., Ltd.                       | 2,792      |
| HORIBA, Ltd.                         | 2,224      |
| SCREEN Holdings Co., Ltd.            | 2,174      |
| NICHICON Corporation                 | 2,032      |
| Eve Holding, Inc                     | 1,983      |

The information on FVTOCI equity financial assets that were derecognized for the years ended March 31, 2025 and 2026 is as follows:

(Yen in millions)

|                                                | For the years ended March 31, |      |
|------------------------------------------------|-------------------------------|------|
|                                                | 2025                          | 2026 |
|                                                | (Restated)                    |      |
| Fair value at the time of derecognition        | 165                           | 54   |
| Accumulated gains at the time of derecognition | 102                           | (6)  |
| Dividends received                             | 3                             | 0    |

## 18. Other non-current assets

The breakdown of other non-current assets is as follows:

(Yen in millions)

|                            | March 31, 2025 | March 31, 2026 |
|----------------------------|----------------|----------------|
|                            | (Restated)     |                |
| Prepaid pension costs      | 1,988          | 1,531          |
| Long-term prepaid expenses | 8,559          | 5,956          |
| Deposit                    | 669            | 17             |
| Other                      | 424            | 728            |
| Total                      | 11,640         | 8,232          |

## 19. Trade and other payables

Trade and other payables are measured at amortized cost. The breakdown of trade and other payables is as follows:

(Yen in millions)

|                                              | March 31, 2025 | March 31, 2026 |
|----------------------------------------------|----------------|----------------|
|                                              | (Restated)     |                |
| Notes payable                                | 13,665         | 19,155         |
| Trade payable                                | 438,560        | 490,611        |
| Electronically recorded monetary obligations | 7,407          | 5,103          |
| Other payables                               | 155,791        | 189,628        |
| Equipment notes payable                      | 47             | 215            |
| Total                                        | 615,470        | 704,712        |

NIDEC has entered into supplier finance agreements with third-party financial institutions. Under these agreements, NIDEC makes payments to the third-party financial institutions for trade payables to each supplier on dates set within a range of 59 to 365 days after receiving invoices. Comparable trade payables not subject to supplier finance agreements are typically paid within 20 to 365 days after receiving invoices. Suppliers, at their discretion, can receive early payments from the third-party financial institutions under discounted terms. NIDEC does not provide collateral assets or third-party guarantees in connection with the supplier finance agreements.

The ending balances of financial liabilities related to the supplier finance agreements for the previous consolidated fiscal year and the current consolidated fiscal year were ¥90,432 million and ¥108,039 million, respectively. Of these balances, the amounts already paid to suppliers were ¥86,061 million for the previous consolidated fiscal year and ¥101,723 million for the current one. These amounts are included in trade and other payables in the consolidated statement of financial position.

For the years ended March 31, 2025 and 2026, there have been no significant non-cash changes in financial liabilities under supplier finance agreements.

The supplier finance agreements entered into by NIDEC are primarily intended to improve the efficiency of payment operations and enable earlier payments to suppliers compared to the normal payment terms. As a result, the NIDEC Group does not face significant liquidity risks associated with supplier finance agreements.

## 20. Other financial liabilities

The breakdown of other financial liabilities is as follows:

(Yen in millions)

|                         | March 31, 2025 | March 31, 2026 |
|-------------------------|----------------|----------------|
|                         | (Restated)     |                |
| Derivatives liabilities | 1,387          | 636            |
| Deposits received       | 2,229          | 2,299          |
| Total                   | 3,616          | 2,935          |

## 21. Other current liabilities

The breakdown of other current liabilities is as follows:

(Yen in millions)

|                      | March 31, 2025       | March 31, 2026 |
|----------------------|----------------------|----------------|
|                      | (Restated)(Restated) |                |
| Accrued expenses     | 66,522               | 93,539         |
| Contract liabilities | 50,073               | 52,110         |
| Other                | 10,351               | 14,659         |
| Total                | 126,946              | 160,308        |

## 22. Short term borrowings and long term debt

### (1) Short term borrowings

The breakdown of short term borrowings is as follows:

(Yen in millions)

|                                                                                                 | March 31, 2025 | March 31, 2026 |
|-------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                 | (Restated)     |                |
| Unsecured loans, principally from banks<br>average interest per annum: 2025 1.05%<br>2026 0.88% | 93,710         | 540,026        |
| Commercial paper<br>average interest per annum: 2026 0.97%                                      | —              | 47,000         |
| Total                                                                                           | 93,710         | 587,026        |

As of March 31, 2026, NIDEC had unused lines of credit amounting to ¥1,822,916 million with banks. Under these programs, NIDEC is authorized to obtain short-term financing at prevailing interest rates.

Please note that the above amount includes a credit facility of ¥ 1,100,000 million, the use of proceeds of which is limited to M&A-related transactions. In addition, although the borrowing facility of ¥ 600,000 million included in the above amount was in breach of financial covenant provisions at the end of the fiscal year, we obtained consent from the lending institutions, prior to the filing date of the securities report, to waive any rights to accelerate repayment that would arise as a result of such covenant breaches.

(2) Long term debt

The breakdown of long term debt is as follows:

(Yen in millions)

|                                                                                                                       | March 31, 2025 | March 31, 2026 |
|-----------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                       | (Restated)     |                |
| Unsecured loans, principally from banks                                                                               |                |                |
| Due 2025 to 2036 in 2025 with interest ranging from 0.00% to 9.75% per annum                                          | 264,734        | -              |
| Due 2026 to 2036 in 2026 with interest ranging from 0.00% to 9.75% per annum                                          | -              | 366,568        |
| The Eleventh Series of Domestic Unsecured bonds (Green Bond) due 2026<br>Interest at 0.15% per annum in 2025 and 2026 | 19,987         | 19,995         |
| The Thirteenth Series of Domestic Unsecured bonds due 2025<br>Interest at 0.25% per annum in 2025 and 2026            | 29,996         | —              |
| The Fourteenth Series of Domestic Unsecured bonds due 2032<br>Interest at 0.55% per annum in 2025 and 2026            | 19,957         | 19,963         |
| The Fifteenth Series of Domestic Unsecured bonds due 2025<br>Interest at 0.25% per annum in 2025 and 2026             | 19,992         | —              |
| The Sixteenth Series of Domestic Unsecured bonds due 2027<br>Interest at 0.44% per annum in 2025 and 2026             | 49,948         | 49,968         |
| Euro-Denominated Senior Unsecured bonds (Green Bond) due 2026<br>Interest at 0.05% per annum in 2025 and 2026         | 80,997         | —              |
| Lease liabilities                                                                                                     |                |                |
| Due 2025 to 2065 in 2025, with interest ranging from (0.00%) to 55.95% per annum                                      | 59,871         | -              |
| Due 2026 to 2065 in 2026, with interest ranging from 0.00% to 56.00% per annum                                        | -              | 69,885         |
| Subtotal                                                                                                              | 545,482        | 526,379        |
| Less - Bonds due within one year                                                                                      | (130,986)      | (19,995)       |
| Less - Long term debt due within one year                                                                             | (21,670)       | (62,487)       |
| Less - lease liabilities due within one year                                                                          | (11,589)       | (12,625)       |
| Total                                                                                                                 | 381,237        | 431,272        |

(3) The aggregate amounts of annual maturity of long term debt

The aggregate amounts of annual maturity of long term debt are as follows:

*(Yen in millions)*

| Term                               | March 31, 2025 | March 31, 2026 |
|------------------------------------|----------------|----------------|
|                                    | (Restated)     |                |
| Within one year                    | 166,194        | 101,094        |
| Over one year within two years     | 73,251         | 96,811         |
| Over two years within three years  | 83,474         | 98,013         |
| Over three years within four years | 70,200         | 69,274         |
| Over four years within five years  | 49,095         | 81,642         |
| Over five years                    | 115,818        | 109,403        |

(Note) Amounts are based on contractual cash flows.

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks.

(4) Assets pledged as security

Not applicable.

(5) Debts attributable to collateral pledged assets

Not applicable.

## 23. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

(Yen in millions)

| (Restated)                                                                         | Short term borrowings | Long term borrowings due within one year | Corporate Bonds due within one year | Long term borrowings | Corporate Bonds | Lease obligations and others |
|------------------------------------------------------------------------------------|-----------------------|------------------------------------------|-------------------------------------|----------------------|-----------------|------------------------------|
| Balance at April 1, 2024                                                           | 42,961                | 1,711                                    | 129,979                             | 148,065              | 221,353         | 59,141                       |
| Cash flows from financing activities                                               | 50,860                | (1,481)                                  | (130,000)                           | 70,735               | -               | (12,852)                     |
| Changes arising from acquisition or exclusion of subsidiaries and other businesses | -                     | -                                        | -                                   | 46,542               | -               | 3,110                        |
| Effect of exchange rate changes                                                    | (111)                 | (37)                                     | (580)                               | (719)                | -               | (625)                        |
| Transfer from long term to short term                                              | -                     | 21,477                                   | 131,495                             | (21,477)             | (131,495)       | -                            |
| New lease                                                                          | -                     | -                                        | -                                   | -                    | -               | 12,073                       |
| Others                                                                             | -                     | -                                        | 92                                  | (83)                 | 33              | (975)                        |
| Balance at March 31, 2025                                                          | 93,710                | 21,670                                   | 130,986                             | 243,063              | 89,891          | 59,872                       |
| Cash flows from financing activities                                               | 492,904               | (116)                                    | (131,040)                           | 93,647               | -               | (12,455)                     |
| Changes arising from acquisition or exclusion of subsidiaries and other businesses | -                     | -                                        | -                                   | -                    | -               | 170                          |
| Effect of exchange rate changes                                                    | 419                   | 532                                      | -                                   | 7,599                | -               | 4,977                        |
| Transfer from long term to short term                                              | -                     | 40,440                                   | 19,995                              | (40,440)             | (19,995)        | -                            |
| New lease                                                                          | -                     | -                                        | -                                   | -                    | -               | 23,011                       |
| Others                                                                             | (7)                   | (40)                                     | 54                                  | 213                  | 34              | (5,690)                      |
| Balance at March 31, 2026                                                          | 587,026               | 62,486                                   | 19,995                              | 304,082              | 69,930          | 69,885                       |

## 24. Employee benefits

### (1) Retirement benefits

#### 1) Defined benefit plan

The Company and certain subsidiaries' pension and retirement benefit plans usually entitle employees lump-sum indemnities or pension payments based on current rates of pay and length of service at the time of termination or the number of "points". Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement. Employees receive additional benefits upon involuntary retirement, including retirement at the mandatory retirement age. The defined benefit plan is subjected to the actuarial risks of changes in cost, interest rate and life expectancy.

The breakdown of retirement benefit plan recognized in the consolidated statements of financial position is as follows:

As of March 31, 2025

(Yen in millions)

| (Restated)                                                    | Pension and lump-sum payment plans |                   |         |
|---------------------------------------------------------------|------------------------------------|-------------------|---------|
|                                                               | Japanese plan                      | Non-Japanese plan | Total   |
| Present value of defined benefit obligations                  | 18,800                             | 50,382            | 69,182  |
| Fair value of plan assets                                     | 16,849                             | 25,271            | 42,120  |
| Funded status                                                 | 1,951                              | 25,111            | 27,062  |
| Effect of asset ceiling                                       | 4,020                              | -                 | 4,020   |
| Net defined benefit liability (asset)                         | 5,972                              | 25,111            | 31,083  |
| Amounts in the consolidated statements of financial position: | 5,972                              | 25,111            | 31,083  |
| Other non-current assets                                      | (682)                              | (1,306)           | (1,988) |
| Retirement benefit liabilities                                | 6,654                              | 26,417            | 33,071  |

As of March 31, 2026

(Yen in millions)

|                                                               | Pension and lump-sum payment plans |                   |         |
|---------------------------------------------------------------|------------------------------------|-------------------|---------|
|                                                               | Japanese plan                      | Non-Japanese plan | Total   |
| Present value of defined benefit obligations                  | 15,712                             | 52,460            | 68,172  |
| Fair value of plan assets                                     | 15,175                             | 24,918            | 40,093  |
| Funded status                                                 | 537                                | 27,542            | 28,079  |
| Effect of asset ceiling                                       | 5,018                              | -                 | 5,018   |
| Net defined benefit liability (asset)                         | 5,555                              | 27,542            | 33,097  |
| Amounts in the consolidated statements of financial position: | 5,555                              | 27,542            | 33,097  |
| Other non-current assets                                      | -                                  | (1,531)           | (1,531) |
| Retirement benefit liabilities                                | 5,555                              | 29,073            | 34,628  |

The breakdown of retirement benefit expenses of defined benefit plans recognized in the consolidated statements of income is as follows:

*(Yen in millions)*

|                                                                | For the years ended March 31, |       |
|----------------------------------------------------------------|-------------------------------|-------|
|                                                                | 2025                          | 2026  |
|                                                                | (Restated)                    |       |
| Current service cost                                           | 2,439                         | 2,666 |
| Past service cost and gains or losses arising from settlements | (39)                          | (17)  |
| Interest cost (net)                                            | 1,149                         | 1,350 |
| Total retirement benefit expenses                              | 3,548                         | 3,999 |

Changes in the present value of defined benefit obligations are as follows:

(Yen in millions)

| (Restated)                                                                 | Japanese plan | Non-Japanese plan | Total   |
|----------------------------------------------------------------------------|---------------|-------------------|---------|
| Balance at April 1, 2024                                                   | 22,193        | 51,782            | 73,975  |
| The amount recognized in net profit or loss                                |               |                   |         |
| Current service cost                                                       | 404           | 2,034             | 2,439   |
| Past service cost and gains or losses arising from settlements             | 2             | (41)              | (39)    |
| Interest cost                                                              | 285           | 2,195             | 2,480   |
| Total                                                                      | 691           | 4,188             | 4,880   |
| The amount recognized in other comprehensive income                        |               |                   |         |
| Remeasurements                                                             |               |                   |         |
| -actuarial gains or losses arising from changes in demographic assumptions | (4)           | 30                | 26      |
| -actuarial gains or losses arising from changes in financial assumptions   | (700)         | (1,447)           | (2,147) |
| -actuarial gains or losses arising from experience adjustments             | (183)         | (1,877)           | (2,060) |
| Total                                                                      | (887)         | (3,294)           | (4,181) |
| Others                                                                     |               |                   |         |
| Benefits paid                                                              | (3,087)       | (3,450)           | (6,537) |
| Effects of business combinations                                           | -             | 140               | 140     |
| Decrease due to sales of the business                                      | (110)         | -                 | (110)   |
| Foreign currency translation adjustments                                   | -             | 1,016             | 1,016   |
| Total                                                                      | (3,197)       | (2,294)           | (5,491) |
| Balance at March 31, 2025                                                  | 18,800        | 50,382            | 69,182  |
| The amount recognized in net profit or loss                                |               |                   |         |
| Current service cost                                                       | 366           | 2,300             | 2,666   |
| Past service cost and gains or losses arising from settlements             | (52)          | 35                | (17)    |
| Interest cost                                                              | 331           | 2,489             | 2,820   |
| Total                                                                      | 645           | 4,824             | 5,469   |
| The amount recognized in other comprehensive income                        |               |                   |         |
| Remeasurements                                                             |               |                   |         |
| -actuarial gains or losses arising from changes in demographic assumptions | (138)         | (301)             | (439)   |
| -actuarial gains or losses arising from changes in financial assumptions   | (956)         | (659)             | (1,615) |
| -actuarial gains or losses arising from experience adjustments             | (142)         | (317)             | (459)   |
| Total                                                                      | (1,236)       | (1,277)           | (2,513) |
| Others                                                                     |               |                   |         |
| Benefits paid                                                              | (2,106)       | (3,812)           | (5,917) |
| Settlement                                                                 | (391)         | (1,174)           | (1,565) |
| Foreign currency translation adjustments                                   | -             | 3,517             | 3,517   |
| Total                                                                      | (2,497)       | (1,469)           | (3,966) |
| Balance at March 31, 2026                                                  | 15,712        | 52,460            | 68,172  |

Changes in the fair value of plan assets are as follows:

(Yen in millions)

| (Restated)                                          | Japanese plan | Non-Japanese plan | Total   |
|-----------------------------------------------------|---------------|-------------------|---------|
| Balance at April 1, 2024                            | 18,306        | 26,259            | 44,565  |
| The amount recognized in net profit or loss         |               |                   |         |
| Interest income                                     | 257           | 1,133             | 1,390   |
| Total                                               | 257           | 1,133             | 1,390   |
| The amount recognized in other comprehensive income |               |                   |         |
| Remeasurements                                      |               |                   |         |
| - Return on plan assets                             | (389)         | (162)             | (551)   |
| Total                                               | (389)         | (162)             | (551)   |
| Others                                              |               |                   |         |
| Employer's contributions                            | 276           | 1,347             | 1,623   |
| Benefits paid                                       | (1,799)       | (2,550)           | (4,349) |
| Trust dividend                                      | 199           | -                 | 199     |
| Foreign currency translation adjustments            | -             | (756)             | (756)   |
| Total                                               | (1,324)       | (1,959)           | (3,283) |
| Balance at March 31, 2025                           | 16,849        | 25,271            | 42,120  |
| The amount recognized in net profit or loss         |               |                   |         |
| Interest income                                     | 415           | 1,134             | 1,549   |
| Total                                               | 415           | 1,134             | 1,549   |
| The amount recognized in other comprehensive income |               |                   |         |
| Remeasurements                                      |               |                   |         |
| - Return on plan assets                             | (601)         | (14)              | (615)   |
| Total                                               | (601)         | (14)              | (615)   |
| Others                                              |               |                   |         |
| Employer's contributions                            | 134           | 996               | 1,130   |
| Benefits paid                                       | (1,264)       | (2,755)           | (4,019) |
| Trust dividend                                      | 33            | -                 | 33      |
| Settlement                                          | (391)         | (1,174)           | (1,565) |
| Foreign currency translation adjustments            | -             | 1,460             | 1,460   |
| Total                                               | (1,488)       | (1,473)           | (2,961) |
| Balance at March 31, 2026                           | 15,175        | 24,918            | 40,093  |

NIDEC expects to contribute approximately ¥1,186 million to its defined benefit plans in the fiscal year ending March 31, 2026.

Changes in the Effect of Asset Ceiling

As of March 31, 2025

(Yen in millions)

| (Restated)                                              | Japanese plan | Non-Japanese plan | Total |
|---------------------------------------------------------|---------------|-------------------|-------|
| Effect of asset ceiling as of the beginning of the year | 3,867         | -                 | 3,867 |
| Interest cost                                           | 59            | -                 | 59    |
| Changes in the effect of asset ceiling                  | 95            | -                 | 95    |
| Effect of asset ceiling as of the end of the year       | 4,020         | -                 | 4,020 |

As of March 31, 2026

(Yen in millions)

|                                                         | Japanese plan | Non-Japanese plan | Total |
|---------------------------------------------------------|---------------|-------------------|-------|
| Effect of asset ceiling as of the beginning of the year | 4,020         | -                 | 4,020 |
| Interest cost                                           | 78            | -                 | 78    |
| Changes in the effect of asset ceiling                  | 920           | -                 | 920   |
| Effect of asset ceiling as of the end of the year       | 5,018         | -                 | 5,018 |

The fair values of plan assets (Japanese plan) by asset category are as follows:

(Yen in millions)

|                                         | Japanese plan                                     |                |                                                      |                |
|-----------------------------------------|---------------------------------------------------|----------------|------------------------------------------------------|----------------|
|                                         | With a quoted market price<br>in an active market |                | Without a quoted market price<br>in an active market |                |
|                                         | March 31, 2025                                    | March 31, 2026 | March 31, 2025                                       | March 31, 2026 |
|                                         | (Restated)                                        |                | (Restated)                                           |                |
| Equity instruments:                     |                                                   |                |                                                      |                |
| Domestic equities                       | 318                                               | 315            | -                                                    | -              |
| Overseas equities                       | 1,063                                             | 1,212          | -                                                    | -              |
| Debt instruments:                       |                                                   |                |                                                      |                |
| Pooled funds *1                         | -                                                 | -              | 3,795                                                | 3,841          |
| Other assets:                           |                                                   |                |                                                      |                |
| Cash and cash equivalents               | 2,016                                             | 1,303          | -                                                    | -              |
| General accounts of insurance companies | -                                                 | -              | 7,076                                                | 6,502          |
| Pooled funds *2                         | -                                                 | -              | 2,076                                                | 1,955          |
| Others                                  | 505                                               | 47             | -                                                    | -              |
| Total                                   | 3,902                                             | 2,877          | 12,947                                               | 12,298         |

(Notes) \*1. As of March 31, 2025, Japanese pooled funds categorized as debt instruments were invested approximately 75% in Japanese bonds and 25% in foreign bonds. As of March 31, 2026, they were invested approximately 79% in Japanese bonds and 21% in foreign bonds.

\*2. As of March 31, 2025, Japanese pooled funds categorized as other assets were invested approximately 10% in Japanese stocks, 52% in foreign stocks, 16% in Japanese bonds and 4% in foreign bonds. As of March 31, 2026, they were invested approximately 1% in Japanese stocks, 62% in foreign stocks, 2% in Japanese bonds and 1% in foreign bonds.

The fair values of plan assets (non-Japanese plan) by asset category are as follows:

(Yen in millions)

|                                         | Non-Japanese plan                                 |                |                                                      |                |
|-----------------------------------------|---------------------------------------------------|----------------|------------------------------------------------------|----------------|
|                                         | With a quoted market price<br>in an active market |                | Without a quoted market price<br>in an active market |                |
|                                         | March 31, 2025                                    | March 31, 2026 | March 31, 2025                                       | March 31, 2026 |
|                                         | (Restated)                                        |                | (Restated)                                           |                |
| Equity instruments:                     |                                                   |                |                                                      |                |
| Domestic equities                       | -                                                 | -              | -                                                    | -              |
| Overseas equities                       | 357                                               | 517            | -                                                    | -              |
| Debt instruments:                       |                                                   |                |                                                      |                |
| Pooled funds *1                         | -                                                 | -              | 5                                                    | 6              |
| Other assets:                           |                                                   |                |                                                      |                |
| Cash and cash equivalents               | 2,450                                             | 1,718          | -                                                    | -              |
| General accounts of insurance companies | -                                                 | -              | 5,561                                                | 7,118          |
| Pooled funds *2                         | -                                                 | -              | 13,988                                               | 13,019         |
| Others                                  | 9                                                 | 16             | 2,901                                                | 2,524          |
| Total                                   | 2,816                                             | 2,251          | 22,455                                               | 22,667         |

(Notes) \*1. All non-Japanese pooled funds categorized as debt instruments were invested in foreign bonds.

\*2. As of March 31, 2025, non-Japanese pooled funds categorized as other assets were invested approximately 57% in foreign stocks and 8% in foreign bonds. As of March 31, 2026, they were invested approximately 63% in foreign stocks and 37% in foreign bonds.

NIDEC's policy and objective for plan asset management is to generate, under the acceptable risk exposed to NIDEC, a stable return on the investment over the long term, which enables NIDEC's pension funds to meet future benefit payment requirements. NIDEC formulates a "basic" portfolio that best suits the above-mentioned policy. NIDEC evaluates its actual return and revises the "basic" portfolio, if necessary.

NIDEC's portfolio for plans consists of three major components: approximately 5% is invested in equity instruments, approximately 10% is invested in debt instruments, and approximately 85% is invested in other investment vehicles, primarily consisting of investments in pooled funds and life insurance companies' general accounts.

The equity instruments are selected from shares that are listed on the securities exchanges. The debt instruments are selected from Japanese and foreign government bonds, public debt instruments, and corporate bonds. Pooled funds included in other assets invest in equity and debt instruments selected from the same portfolios as the two instruments mentioned above. As for investments in life insurance companies' general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

The weighted-average actuarial assumptions used to estimate the benefit obligations are set forth as follows:

|                                                | Japanese plan  |                | Non-Japanese plan |                |
|------------------------------------------------|----------------|----------------|-------------------|----------------|
|                                                | March 31, 2025 | March 31, 2026 | March 31, 2025    | March 31, 2026 |
|                                                | (Restated)     |                | (Restated)        |                |
| Discount rate                                  | 1.8 %          | 2.8 %          | 5.2 %             | 5.0 %          |
| Rate of increase in future compensation levels | 0.0 %          | 0.3 %          | 3.6 %             | 3.6 %          |

When calculating the sensitivity of the defined benefit obligations to significant assumptions the same method has been applied as when calculating the retirement benefit liabilities recognized in the consolidated statements of financial position. It is all actuarial assumptions other than actuarial assumptions to be analyzed are constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous fiscal year.

The impacts on the defined benefit obligation as a result of change in major actuarial assumptions are summarized as follows:  
NIDEC does not expect any significant changes in the anticipated rate of increase in future compensation levels.

(Yen in millions)

|               | March 31, 2025 | March 31, 2026 |
|---------------|----------------|----------------|
|               | (Restated)     |                |
| Discount rate |                |                |
| 0.5% increase | (2,661)        | (2,477)        |
| 0.5% decrease | 2,834          | 2,675          |

The weighted-average duration of the defined benefit obligation is as follows:

|                   | March 31, 2025 | March 31, 2026 |
|-------------------|----------------|----------------|
|                   | (Restated)     |                |
| Japanese plan     | 7.8 years      | 6.6 years      |
| Non-Japanese plan | 9.9 years      | 9.4 years      |

## 2) Defined contribution pension plan

Total amounts of cost recognized for the contribution to the plans were ¥7,791 million and ¥7,869 million for the years ended March 31, 2025 and 2026, respectively. NIDEC expects to contribute approximately ¥7,976 million for the year ending March 31, 2026.

## 25. Other components of equity and other comprehensive income

The changes in other components of equity (net of tax) are as follows:

(Yen in millions)

|                                                      | For the years ended March 31, |      |
|------------------------------------------------------|-------------------------------|------|
|                                                      | 2025                          | 2026 |
|                                                      | (Restated)                    |      |
| Fair value movements on FVTOCI debt financial assets |                               |      |
| Balance at beginning of year                         | (39)                          | (11) |
| Changes during year                                  | 28                            | 36   |

|                                                                    |          |         |
|--------------------------------------------------------------------|----------|---------|
| Balance at end of year                                             | (11)     | 25      |
| Fair value movements on FVTOCI equity financial assets             |          |         |
| Balance at beginning of year                                       | -        | -       |
| Changes during year                                                | (2,296)  | 6,257   |
| Transfer to retained earnings                                      | 2,296    | (6,257) |
| Balance at end of year                                             | -        | -       |
| Foreign currency translation adjustments                           |          |         |
| Balance at beginning of year                                       | 354,541  | 336,004 |
| Changes during year                                                | (18,537) | 133,238 |
| Balance at end of year                                             | 336,004  | 469,242 |
| Effective portion of net changes in fair value of cash flow hedges |          |         |
| Balance at beginning of year                                       | 2,104    | (1,203) |
| Changes during year                                                | (3,307)  | 1,651   |
| Balance at end of year                                             | (1,203)  | 448     |
| Remeasurement of defined benefit plans                             |          |         |
| Balance at beginning of year                                       | -        | -       |
| Changes during year                                                | 2,441    | 869     |
| Transfer to retained earnings                                      | (2,441)  | (869)   |
| Balance at end of year                                             | -        | -       |
| Other components of equity                                         |          |         |
| Balance at beginning of year                                       | 356,606  | 334,790 |
| Changes during year                                                | (21,671) | 142,051 |
| Transfer to retained earnings                                      | (145)    | (7,126) |
| Balance at end of year                                             | 334,790  | 469,715 |

The amounts of other comprehensive income including non-controlling interests, reclassification adjustment and tax effect accounting are as follows:

(Yen in millions)

|                                                                          | For the years ended March 31, |                          |                     |                      |                          |                     |
|--------------------------------------------------------------------------|-------------------------------|--------------------------|---------------------|----------------------|--------------------------|---------------------|
|                                                                          | 2025                          |                          |                     | 2026                 |                          |                     |
|                                                                          | (Restated)                    |                          |                     |                      |                          |                     |
|                                                                          | Before<br>tax effect          | Tax effect<br>accounting | After<br>tax effect | Before<br>tax effect | Tax effect<br>accounting | After<br>tax effect |
| Fair value movements on<br>FVTOCI debt financial assets                  |                               |                          |                     |                      |                          |                     |
| Amounts                                                                  | 41                            | (13)                     | 28                  | 61                   | (21)                     | 40                  |
| Reclassification adjustment                                              | (0)                           | 0                        | (0)                 | (6)                  | 2                        | (4)                 |
| Changes during year                                                      | 41                            | (13)                     | 28                  | 55                   | (19)                     | 36                  |
| Fair value movements on<br>FVTOCI equity financial assets                |                               |                          |                     |                      |                          |                     |
| Amounts                                                                  | (3,117)                       | 821                      | (2,296)             | 9,213                | (2,956)                  | 6,257               |
| Changes during year                                                      | (3,117)                       | 821                      | (2,296)             | 9,213                | (2,956)                  | 6,257               |
| Foreign currency translation<br>adjustments                              |                               |                          |                     |                      |                          |                     |
| Amounts                                                                  | (20,674)                      | -                        | (20,674)            | 135,803              | -                        | 135,803             |
| Reclassification adjustment                                              | 815                           | -                        | 815                 | 66                   | -                        | 66                  |
| Changes during year                                                      | (19,859)                      | -                        | (19,859)            | 135,869              | -                        | 135,869             |
| Effective portion of net<br>changes in fair value of cash<br>flow hedges |                               |                          |                     |                      |                          |                     |
| Amounts                                                                  | (3,213)                       | 789                      | (2,424)             | 4,248                | (1,073)                  | 3,175               |
| Reclassification adjustment                                              | (1,179)                       | 296                      | (883)               | (2,022)              | 498                      | (1,524)             |
| Changes during year                                                      | (4,392)                       | 1,085                    | (3,307)             | 2,226                | (575)                    | 1,651               |
| Remeasurement of defined<br>benefit plans                                |                               |                          |                     |                      |                          |                     |
| Amounts                                                                  | 3,535                         | (1,090)                  | 2,445               | 978                  | (119)                    | 859                 |
| Changes during year                                                      | 3,535                         | (1,090)                  | 2,445               | 978                  | (119)                    | 859                 |
| Other comprehensive income                                               | (23,792)                      | 803                      | (22,989)            | 148,341              | (3,669)                  | 144,672             |

## 26. Income taxes

### (1) Income tax expenses

The breakdown of income tax expenses recognized in profit or loss is as follows:

(Yen in millions)

|                                                   | For the years ended March 31, |           |
|---------------------------------------------------|-------------------------------|-----------|
|                                                   | 2025                          | 2026      |
|                                                   | (Restated)                    |           |
| Current income taxes                              | (57,663)                      | (51,846)  |
| Deferred income taxes                             |                               |           |
| Origination and reversal of temporary differences | 12,843                        | (75,045)  |
| Changes in tax rates                              | (347)                         | 195       |
| Total                                             | 12,496                        | (74,850)  |
| Total income tax expenses                         | (45,167)                      | (126,696) |

The corporate income tax for the current fiscal year includes tax expenses related to the Pillar Two corporate income tax, amounting to ¥10 million and ¥277 million for the fiscal year ended March 31, 2025 and 2026.

### (2) Reconciliation of effective statutory tax rate and actual tax rate

NIDEC is subject to several taxes and an effective statutory income tax rate in Japan for the fiscal year ended March 31, 2025 was approximately 30.5%. Differences between the effective statutory income tax rate in Japan and effective tax rate in income tax expense on consolidated statements of income are as follows:

|                                                                                    | For the years ended March 31, |         |
|------------------------------------------------------------------------------------|-------------------------------|---------|
|                                                                                    | 2025                          | 2026    |
|                                                                                    | (Restated)                    |         |
| Effective statutory income tax rate in Japan                                       | 30.5%                         | 30.5%   |
| Increase (decrease) in tax rate resulting from:                                    |                               |         |
| Difference in tax rate applied to foreign subsidiaries                             | (7.4)%                        | (19.7)% |
| Tax effect on undistributed earnings                                               | 10.1%                         | (8.2)%  |
| Assessment of the realizability of deferred tax assets                             | 5.9%                          | (31.7)% |
| Tax credit for experimental research costs and other                               | (1.5)%                        | 0.4%    |
| Foreign tax credits                                                                | (1.2)%                        | (0.0)%  |
| Permanent non-deductible items                                                     | 1.1%                          | 0.7%    |
| Dividend withholding tax                                                           | 1.3%                          | (1.5)%  |
| Others                                                                             | (2.5)%                        | 4.0%    |
| Effective tax rate in income tax expenses on the consolidated statements of income | 36.3%                         | (25.5)% |

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025, and the "Special Defense Corporation Tax" will be imposed starting from the consolidated fiscal year beginning on or after April 1, 2026. As a result, deferred tax assets and deferred tax liabilities related to temporary differences and other items expected to be resolved in the consolidated fiscal years beginning on or after April 1, 2026, have been calculated by adjusting the domestic statutory effective tax rate from 30.5% to 31.4%. Furthermore, the impact of this tax rate change is minimal.

(3) Components of and changes in deferred tax assets and liabilities

The main reasons and changes in deferred tax assets and liabilities are as follows:

For the year ended March 31, 2025

(Yen in millions)

| (Restated)                          | As of<br>April 1,<br>2024 | Recognized<br>in net<br>profit or loss | Recognized<br>in other<br>comprehensive<br>income | Others | As of<br>March 31,<br>2025 |
|-------------------------------------|---------------------------|----------------------------------------|---------------------------------------------------|--------|----------------------------|
| Deferred tax assets:                |                           |                                        |                                                   |        |                            |
| Inventories                         | 21,550                    | 4,281                                  | -                                                 | -      | 25,831                     |
| Property, plant and equipment       | 4,528                     | 7,707                                  | -                                                 | -      | 12,235                     |
| Provision for bonuses               | 3,178                     | (2,393)                                | -                                                 | -      | 785                        |
| Accrued enterprise tax              | 994                       | (675)                                  | -                                                 | -      | 319                        |
| Retirement benefit liabilities      | 5,586                     | 1,635                                  | (1,090)                                           | -      | 6,131                      |
| Tax loss carryforwards              | 6,399                     | (3,193)                                | -                                                 | -      | 3,206                      |
| Provision for paid leave            | 1,741                     | (102)                                  | -                                                 | -      | 1,639                      |
| Accrued expense                     | 6,476                     | 1,819                                  | -                                                 | -      | 8,295                      |
| Lease liabilities                   | 5,332                     | (1,808)                                | -                                                 | -      | 3,524                      |
| Others                              | 285                       | 7,609                                  | -                                                 | 630    | 8,524                      |
| Total                               | 56,069                    | 14,880                                 | (1,090)                                           | 630    | 70,489                     |
| Deferred tax liabilities            |                           |                                        |                                                   |        |                            |
| FVTOCI financial assets             | (8,138)                   | 493                                    | 821                                               | 257    | (6,567)                    |
| Basis difference of acquired assets | (856)                     | -                                      | -                                                 | 2      | (854)                      |
| Undistributed earnings              | (24,457)                  | (11,679)                               | -                                                 | -      | (36,136)                   |
| Intangible assets                   | (42,887)                  | 17,243                                 | -                                                 | (210)  | (25,854)                   |
| Right-of-use assets                 | (3,428)                   | 1,368                                  | -                                                 | -      | (2,060)                    |
| Others                              | (4,084)                   | (9,809)                                | 1,072                                             | 2,958  | (9,863)                    |
| Total                               | (83,850)                  | (2,384)                                | 1,893                                             | 3,007  | (81,334)                   |
| Net                                 | (27,781)                  | 12,496                                 | 803                                               | 3,637  | (10,845)                   |

Others mainly consist of business combinations or foreign currency translation adjustments.

For the year ended March 31, 2026

(Yen in millions)

|                                     | As of<br>April 1,<br>2025 | Recognized<br>in net<br>profit or loss | Recognized<br>in other<br>comprehensive<br>income | Others  | As of<br>March 31,<br>2026 |
|-------------------------------------|---------------------------|----------------------------------------|---------------------------------------------------|---------|----------------------------|
| Deferred tax assets:                |                           |                                        |                                                   |         |                            |
| Inventories                         | 25,831                    | (11,462)                               | -                                                 | -       | 14,369                     |
| Property, plant and equipment       | 12,235                    | (15,407)                               | -                                                 | -       | (3,172)                    |
| Provision for bonuses               | 785                       | (630)                                  | -                                                 | -       | 155                        |
| Accrued enterprise tax              | 319                       | (182)                                  | -                                                 | -       | 137                        |
| Retirement benefit liabilities      | 6,131                     | (5,198)                                | (119)                                             | -       | 814                        |
| Tax loss carryforwards              | 3,206                     | (2,529)                                | -                                                 | -       | 677                        |
| Provision for paid leave            | 1,639                     | (1,488)                                | -                                                 | -       | 151                        |
| Accrued expense                     | 8,295                     | (8,094)                                | -                                                 | -       | 201                        |
| Lease liabilities                   | 3,524                     | (3,022)                                | -                                                 | -       | 502                        |
| Others                              | 8,524                     | (3,761)                                | -                                                 | (569)   | 3,795                      |
| Total                               | 70,489                    | (51,773)                               | (119)                                             | (569)   | 17,629                     |
| Deferred tax liabilities:           |                           |                                        |                                                   |         |                            |
| FVTOCI financial assets             | (6,567)                   | (870)                                  | (2,956)                                           | -       | (10,393)                   |
| Basis difference of acquired assets | (854)                     | (155)                                  | -                                                 | -       | (1,009)                    |
| Undistributed earnings              | (36,136)                  | (44,172)                               | -                                                 | -       | (80,308)                   |
| Intangible assets                   | (25,854)                  | 18,017                                 | -                                                 | -       | (7,837)                    |
| Right-of-use assets                 | (2,060)                   | 2,986                                  | -                                                 | -       | 926                        |
| Others                              | (9,863)                   | 1,117                                  | (594)                                             | (3,196) | (12,536)                   |
| Total                               | (81,334)                  | (23,077)                               | (3,550)                                           | (3,196) | (111,157)                  |
| Net                                 | (10,845)                  | (74,850)                               | (3,669)                                           | (4,164) | (93,528)                   |

Others mainly consist of business combinations or foreign currency translation adjustments.

In the recognition of a deferred tax asset, NIDEC considers the possibility that future deductible temporary differences and all or a part of tax loss carryforwards will be available against future taxable profit. In assessing the recoverability of deferred tax assets, the planned reversal of future deferred tax liabilities, foreseeable future taxable profit and tax planning will be considered.

Regarding the recognized deferred tax asset, NIDEC determines that it is more likely to realize tax benefit based on the forecast of future taxable profit in the period when the previous taxable standard and deferred tax assets are recognized. However, the amount of realizable deferred tax assets will decrease providing the expectation of generating future taxable profit in the deductible period decreases as well. In assessing the recoverability of deferred tax assets for the years ended March 31, 2025 and 2026 the deferred tax assets decreased by ¥130,226 million and ¥280,494 million, respectively.

(4) Deferred tax assets and liabilities on consolidated statements of financial position

Deferred tax assets and liabilities on the consolidated statements of financial position are as follow:

(Yen in millions)

|                          | March 31, 2025 | March 31, 2026 |
|--------------------------|----------------|----------------|
|                          | (Restated)     |                |
| Deferred tax assets      | 50,089         | 24,034         |
| Deferred tax liabilities | (60,934)       | (117,562)      |
| Net                      | (10,845)       | (93,528)       |

(5) Future deductible temporary differences etc. for unrecognized deferred tax assets

Future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

|                                         | March 31, 2025 | March 31, 2026 |
|-----------------------------------------|----------------|----------------|
|                                         | (Restated)     |                |
| Future deductible temporary differences | 439,431        | 1,024,087      |
| Tax loss carryforwards                  | 156,052        | 162,696        |
| Total                                   | 595,483        | 1,186,783      |

NIDEC does not recognize the deferred tax assets for some of the tax loss carryforwards and future deductible temporary differences. They are related to tax loss carryforwards mainly arising in domestic subsidiaries. To assess the recoverability of these deferred tax assets, NIDEC analyses the applicable subsidiaries individually and decreases a portion that it is less likely to realize tax benefit. As it is less likely to realize future taxable profit, future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets were ¥595,483 million and ¥1,186,783 million in the years ended March 31, 2025 and 2026, respectively. There is no expiration date for future deductible temporary differences under the current taxation system.

(6) The expiration date of tax loss carryforwards for unrecognized deferred tax assets

The expiration date of tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

|                 | March 31, 2025 | March 31, 2026 |
|-----------------|----------------|----------------|
|                 | (Restated)     |                |
| Year 1          | 4,429          | 8,012          |
| Year 2          | 8,194          | 15,132         |
| Year 3          | 16,146         | 7,587          |
| Year 4          | 9,492          | 7,545          |
| Year 5 or later | 16,960         | 15,414         |
| No expiration   | 100,831        | 109,006        |
| Total           | 156,052        | 162,696        |

(7) Future taxable temporary differences for unrecognized deferred tax liabilities

At the March 31, 2025, NIDEC did not recognize the deferred tax liabilities regarding future taxable temporary differences related to the investment in some subsidiaries, etc. NIDEC can control the timing of reversal of temporary differences and ensure that these differences are not reversed in foreseeable period. At the March 31, 2025, future taxable temporary differences related to the investment in subsidiaries, etc. for unrecognized deferred tax liabilities were ¥771,145 million, respectively.

At the March 31, 2026, there were no material future taxable temporary differences related to the investment in subsidiaries, etc. for which deferred tax liabilities had not been recognized.

## 27. Provisions

Changes in the balance and breakdown of provisions are as follows:

(Yen in millions)

|                                            | Provision for<br>product warranties | Provision for<br>contract losses | Others   | Total    |
|--------------------------------------------|-------------------------------------|----------------------------------|----------|----------|
| Balance at April 1, 2025<br>(Restated)     | 24,785                              | 49,011                           | 53,528   | 127,324  |
| Increase during the year                   | 10,617                              | 23,885                           | 69,724   | 104,226  |
| Acquisitions through business combinations | -                                   | —                                | 451      | 451      |
| Decrease due to intended use               | (8,549)                             | (5,946)                          | (44,380) | (58,875) |
| Reversal during the year                   | (2,579)                             | —                                | (13,360) | (15,939) |
| Adjustment for the passage of time         | —                                   | 710                              | —        | 710      |
| Foreign currency translation and other     | 1,994                               | 5,917                            | 3,650    | 11,561   |
| Balance at March 31, 2026                  | 26,268                              | 73,577                           | 69,613   | 169,458  |

(Yen in millions)

|                         | March 31, 2025 | March 31, 2026 |
|-------------------------|----------------|----------------|
|                         | (Restated)     |                |
| Current liabilities     | 72,441         | 104,519        |
| Non-current liabilities | 54,883         | 64,939         |
| Total                   | 127,324        | 169,458        |

### Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. Accordingly, NIDEC recognizes a provision for product warranties based on reasonable estimates of warranty costs, taking into account historical experience and future expectations. The majority of the associated outflows of economic benefits are estimated to occur in the subsequent year.

### Provision for contract losses

During the current consolidated fiscal year, the provision for onerous contracts related to the Automotive Inverter business included balances of ¥48,546million as of April 1, 2025 and ¥71,042 million as of March 31, 2026.

Nidec recognizes a provision for onerous contracts when the unavoidable costs of fulfilling a contract exceed the economic benefits expected to be received under that contract.

Future sales volumes and unit sales prices are predetermined under agreements such as sales contracts with certain customers; however, the costs required to fulfill those contracts are subject to fluctuations, including development costs, material

costs, and foreign exchange rates. At the end of the current consolidated fiscal year, we reviewed the key inputs used to measure the provision for onerous contracts and determined that, for certain contracts the unavoidable costs of fulfilling the contractual obligations (including development costs, material costs, and other variable expenses) are expected to exceed the economic benefits based on the agreed sales volumes and unit prices. Accordingly, we recognized an addition of ¥21,530 million to the provision related to these onerous contracts.

The expected outflow of economic benefits associated with these onerous contracts will occur when unavoidable development and material costs are incurred to sell the products and is expected to occur primarily beyond one year after the end of the current consolidated fiscal year.

Subsequent updates to contractual terms, including changes in sales volumes, unit prices, and related costs, may have a material impact on the amounts recognized in the consolidated financial statements in future fiscal years.

#### Provisions for others

Provisions for others consist of mainly provision for bonuses and provision for paid leave. The majority of the associated outflows of economic benefits are estimated to occur in the subsequent year.

## 28. Share-Based Payment (Performance-Linked Share-Based Compensation Plan)

NIDEC has adopted a performance-linked share-based compensation plan from the fiscal year ended March 31, 2019, for the purpose of clarifying the link between the compensation of the group executives and the stock value of our company, in order to develop motivations for achieving performance targets in the mid-term strategic goal, and increasing long-term corporate value.

NIDEC has adopted the structure of the BIP Trust and the ESOP Trust as equity-settled share-based payments to the group executives. In addition, NIDEC has adopted the structure of providing in cash with the amount determined based on stock price of the company as cash-settled share-based payments to some group executives in overseas resident.

Continuous service during three consecutive fiscal years targeted by the Plan is the vesting conditions. The rights will be determined as of the end of each fiscal year based on the achievements of performance targets.

The expenses for the equity-settled share-based payment recognized for the years ended March 31, 2025 and 2026 were ¥ (50) million and ¥297 million, respectively.

The fair value at the grant date and the changes in the number of points are as follows. The share price on the grant date was used to calculate the fair value, and no adjustments of expected dividends or others have been made because the fair value of the grant date was determined to be close to the share price of our company stock on the grant date.

NIDEC implemented a two-for-one stock split of our common stock effective October 1, 2024. However, it is not reflected shown below.

1st term (for the period from FY 2018 to FY 2020) are 4 shares per point, and 2nd term (for the period from FY 2021 to FY 2023) and 3rd term (for the period from FY 2024 to FY 2026) are 2 share per point.

#### 1st term (for the period from FY 2018 to FY 2020)

|                              | For the year ended March 31, 2025 |            | For the year ended March 31, 2026 |            |
|------------------------------|-----------------------------------|------------|-----------------------------------|------------|
|                              | (Restated)                        |            |                                   |            |
|                              | BIP Trust                         | ESOP Trust | BIP Trust                         | ESOP Trust |
| (Yen)                        |                                   |            |                                   |            |
| Fair value of the grant date | 8,473                             | 8,521      | 8,473                             | 8,521      |
| (Number of points)           |                                   |            |                                   |            |
| Balance at beginning of year | 9,615                             | 1,637      | 5,456                             | 871        |
| Granted                      | -                                 | -          | -                                 | -          |
| Expired                      | (2,117)                           | (419)      | (407)                             | (167)      |
| Settled                      | (2,042)                           | (347)      | -                                 | (37)       |
| Balance at end of year       | 5,456                             | 871        | 5,049                             | 667        |

(Note) The number of remaining contractual life of the points as of March 31, 2025 and 2026 are 0 year.

2nd term (for the period from FY 2021 to FY 2023)

|                              | For the year ended March 31, 2025 |            | For the year ended March 31, 2026 |            |
|------------------------------|-----------------------------------|------------|-----------------------------------|------------|
|                              | (Restated)                        |            |                                   |            |
|                              | BIP Trust                         | ESOP Trust | BIP Trust                         | ESOP Trust |
| (Yen)                        |                                   |            |                                   |            |
| Fair value of the grant date | 12,690                            | 12,690     | 12,690                            | 12,690     |
| (Number of points)           |                                   |            |                                   |            |
| Balance at beginning of year | 16,173                            | 7,121      | -                                 | -          |
| Granted                      | -                                 | -          | -                                 | -          |
| Expired                      | (2,960)                           | (2,874)    | -                                 | -          |
| Settled                      | (13,213)                          | (4,247)    | -                                 | -          |
| Balance at end of year       | -                                 | -          | -                                 | -          |

(Note) The number of remaining contractual life of the points as of March 31, 2025 are 0 year.

3rd term (for the period from FY 2024 to FY 2026)

|                              | For the year ended March 31, 2025 |            | For the year ended March 31, 2026 |            |
|------------------------------|-----------------------------------|------------|-----------------------------------|------------|
|                              | (Restated)                        |            |                                   |            |
|                              | BIP Trust                         | ESOP Trust | BIP Trust                         | ESOP Trust |
| (Yen)                        |                                   |            |                                   |            |
| Fair value of the grant date | 6,812                             | 6,812      | 6,812                             | 6,812      |
| (Number of points)           |                                   |            |                                   |            |
| Balance at beginning of year | -                                 | -          | -                                 | -          |
| Granted                      | -                                 | -          | 70,592                            | 25,702     |
| Expired                      | -                                 | -          | (3,948)                           | (1,663)    |
| Settled                      | -                                 | -          | (1,120)                           | -          |
| Balance at end of year       | -                                 | -          | 65,524                            | 24,039     |

The number of shares held as BIP Trust for the years ended March 31, 2025 and 2026, are 1,140,256 and 1,138,016. Also, the number of shares held as ESOP Trust for the years ended March 31, 2025 and 2026, are 532,440 and 532,292.

(Note) NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Shares held as BIP Trust and ESOP Trust were calculated on the assumption that the relevant stock split had been implemented as of the beginning of the year ended March 31, 2025.

The expenses for the cash-settled share-based payment recognized for the years ended March 31, 2025 and 2026 were ¥ (28) million and ¥95million, respectively. The related liabilities as of March 31, 2025 and 2026 were ¥95 million and ¥143 million, respectively.

## 29. Common stock, surplus and others

### (1) Common stock

The number and changes of authorized shares and issued shares for the years ended March 31, 2025 and 2026, are as follows:

|                                    | For the years ended March 31, |                  |
|------------------------------------|-------------------------------|------------------|
|                                    | 2025                          | 2026             |
|                                    | (Restated)                    |                  |
|                                    | Number of shares              | Number of shares |
| Total number of authorized shares: |                               |                  |
| Ordinary shares (no-par value)     | 1,920,000,000                 | 1,920,000,000    |
| Total number of issued shares:     |                               |                  |
| Balance at beginning of year       | 1,192,568,936                 | 1,192,568,936    |
| Increase (decrease)                | -                             | -                |
| Balance at end of year             | 1,192,568,936                 | 1,192,568,936    |

(Note) 1. The number of treasury stocks included in the total number of issued shares in the above table for the years ended March 31, 2025 and 2026, are 46,261,077 and 46,260,495, respectively.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Number of shares were calculated on the assumption that the relevant stock split had been implemented as of the beginning of the year ended March 31, 2024.

### (2) Additional paid-in capital and retained earnings

Additional paid-in capital mainly consists of capital reserve. The changes in additional paid-in capital for the years ended March 31, 2025 and 2026, are as follows:

(Yen in millions)

|                              | For the years ended March 31, |        |
|------------------------------|-------------------------------|--------|
|                              | 2025                          | 2026   |
|                              | (Restated)                    |        |
|                              |                               |        |
| Balance at beginning of year | 96,864                        | 97,299 |
| Increase (decrease)          | 435                           | 179    |
| Balance at end of year       | 97,299                        | 97,478 |

Retained earnings consist of a legal reserve and other retained earnings.

The Companies Act of Japan provides that an amount equal to 10% of dividends must be appropriated as legal reserves until the total of aggregate amount of the legal reserves equals 25% of the common stock.

(3) Treasury stock

| (Restated)                    | Number of shares | Amount<br>(Yen in millions) |
|-------------------------------|------------------|-----------------------------|
| Balance at March 31, 2024     | 43,371,640       | 167,945                     |
| Repurchase of treasury shares | 3,683,500        | 7,772                       |
| Repurchase of odd-lot shares  | 3,579            | 12                          |
| Sales of treasury shares      | (797,642)        | (123)                       |
| Others                        | -                | (2)                         |
| Balance at March 31, 2025     | 46,261,077       | 175,604                     |
| Repurchase of treasury shares | -                | -                           |
| Repurchase of odd-lot shares  | 1,806            | 4                           |
| Sales of treasury shares      | (2,388)          | (9)                         |
| Others                        | -                | -                           |
| Balance at March 31, 2026     | 46,258,107       | 175,599                     |

(Notes) 1. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Number of shares were calculated on the assumption that the relevant stock split had been implemented at the year ended March 31, 2024.

2. It was confirmed that treasury stocks in the amount of ¥7,772 million repurchased for the fiscal year ended March 31, 2025 exceeded the distributable amount determined by the Companies Act of Japan and the Regulation on Corporate Accounting. These amounts are included in “Purchase of treasury stock” and “Balance at 31 March 2025” in the consolidated statement of changes in equity.

### 30. Dividends

Dividends declared and paid to the ordinary shareholders are as follows:

For the year ended March 31, 2025

| Resolution date                        | Class of shares | Total amount of dividends<br>(Yen in millions) | Dividends<br>per share (Yen) | Record date        | Effective date   |
|----------------------------------------|-----------------|------------------------------------------------|------------------------------|--------------------|------------------|
| May 24, 2024<br>Board of directors     | Ordinary shares | 23,003                                         | 40                           | March 31, 2024     | June 3, 2024     |
| October 23, 2024<br>Board of directors | Ordinary shares | 23,018                                         | 40                           | September 30, 2024 | December 2, 2024 |

- (Notes) 1. Total dividends resolved at the board of directors on May 24, 2024 included dividends of ¥19 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
2. Total dividends resolved at the board of directors on October 23, 2024 included dividends of ¥33 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
3. NIDEC carried out a two-for-one stock split of shares of common stock on October 1, 2024. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.
4. It was confirmed that the Dividend of ¥46,021 million paid for the fiscal year ended March 31, 2025 exceeded the distributable amount calculated in accordance with the Japanese Companies Act and the Regulation on Corporate Accounting.

For the year ended March 31, 2026

| Resolution date                    | Class of shares | Total amount of dividends<br>(Yen in millions) | Dividends<br>per share (Yen) | Record date    | Effective date |
|------------------------------------|-----------------|------------------------------------------------|------------------------------|----------------|----------------|
| May 27, 2025<br>Board of directors | Ordinary shares | 22,960                                         | 20                           | March 31, 2025 | June 2, 2025   |

- (Note) 1. Total dividends resolved at the board of directors on May 27, 2025 included dividends of ¥33 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.
2. NIDEC carried out a two-for-one stock split of shares of common stock on October 1, 2024. The above Dividends per share are shown on the stock split basis.
3. It was confirmed that the Dividend of ¥22,960 million paid for the fiscal year ended March 31, 2026 exceeded the distributable amount calculated in accordance with the Japanese Companies Act and the Regulation on Corporate Accounting.

No dividends have an effective date that falls after the end of the current consolidated accounting period.

### 31. Revenue

#### (1) Disaggregation of revenue

For the year ended March 31, 2025

(Yen in millions)

| (Restated)                      |                                | Type of product                 |                              |          |                     |                                               |                     |                                   |                |                        |
|---------------------------------|--------------------------------|---------------------------------|------------------------------|----------|---------------------|-----------------------------------------------|---------------------|-----------------------------------|----------------|------------------------|
|                                 |                                | Small precision motors          |                              |          | Automotive products | Appliance, commercial and industrial products | Machinery           | Electronic and optical components | Other products | Total                  |
|                                 |                                | Hard disk drives spindle motors | Other small precision motors | Subtotal |                     |                                               |                     |                                   |                |                        |
| S<br>e<br>g<br>m<br>e<br>n<br>t | SPMS                           | 100,339                         | 291,033                      | 391,372  | -                   | -                                             | -                   | -                                 | -              | 391,372                |
|                                 | AMEC                           | -                               | -                            | -        | 350,132             | -                                             | -                   | -                                 | -              | 350,132                |
|                                 | MOEN                           | -                               | -                            | -        | 64,494              | 509,352<br>(85,577)                           | -                   | -                                 | -              | 573,846<br>(85,577)    |
|                                 | ACIM                           | -                               | -                            | -        | -                   | 462,342                                       | -                   | -                                 | -              | 462,342                |
|                                 | Nidec Machinery and Automation | -                               | -                            | -        | -                   | -                                             | 209,352<br>(43,836) | -                                 | -              | 209,352<br>(43,836)    |
|                                 | Group Company Business         | -                               | 96,622                       | 96,622   | 252,165             | 80,614                                        | 101,180<br>(8,664)  | 85,190                            | 3,532          | 619,303<br>(8664)      |
|                                 | Consolidated net sales         | 100,339                         | 387,655                      | 487,994  | 666,791             | 1,052,308<br>(85,577)                         | 310,532<br>(52,500) | 85,190                            | 3,532          | 2,606,347<br>(138,077) |

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

For the year ended March 31, 2026

(Yen in millions)

( yen in millions )

|               |                                | Type of product                 |                              |          |                     |                                               |                  |                                   |                |                     |
|---------------|--------------------------------|---------------------------------|------------------------------|----------|---------------------|-----------------------------------------------|------------------|-----------------------------------|----------------|---------------------|
|               |                                | Small precision motors          |                              |          | Automotive products | Appliance, commercial and industrial products | Machinery        | Electronic and optical components | Other products | Total               |
|               |                                | Hard disk drives spindle motors | Other small precision motors | Subtotal |                     |                                               |                  |                                   |                |                     |
| S e g m e n t | SPMS                           | 110,152                         | 293,845                      | 403,997  | -                   | -                                             | -                | -                                 | -              | 403,997             |
|               | AMEC                           | -                               | -                            | -        | 363,330             | -                                             | -                | -                                 | -              | 363,330             |
|               | MOEN                           | -                               | -                            | -        | 107,999             | 594,825 (99,269)                              | -                | -                                 | -              | 702,824 (99,269)    |
|               | ACIM                           | -                               | -                            | -        | -                   | 441,190                                       | -                | -                                 | -              | 441,190             |
|               | Nidec Machinery and Automation | -                               | -                            | -        | -                   | -                                             | 203,776 (21,367) | -                                 | -              | 203,776 (21,367)    |
|               | Group Company Business         | -                               | 94,699                       | 94,699   | 246,980             | 68,590                                        | 95,006 (10,495)  | 84,560                            | 3,753          | 593,588 (10,495)    |
|               | Consolidated net sales         | 110,152                         | 388,544                      | 498,696  | 718,309             | 1,104,605 (99,269)                            | 298,782 (31,862) | 84,560                            | 3,753          | 2,708,705 (131,131) |

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

NIDEC mainly manufactures and sells small precision motors, automotive products, appliances, commercial and industrial products, machinery, electronic and optical components and other products. Business revenue resulting from such business is accounted for under contracts with customers. The amount of revenue which mainly includes its variable considerations is immaterial and does not include significant financing component.

(i) Small precision motors

Small precision motors product group manufactures and sells hard disk drives spindle motors and other small precision motors. Other small precision motors consist of brushless motors, fan motors, vibration motors, brush motors, motor applications and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Automotive products

Automotive product group manufactures and sells automotive motors and components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(iii) Appliance, commercial and industrial products

Appliance, commercial and industrial product group manufactures and sells home appliance, commercial and industrial motors and related products. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

(iv) Machinery

Machinery product group manufactures and sells product of industrial robots, card readers, test systems, press machines, power transmission drives and so forth. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

(v) Electronic and optical components

Electronic and optical components product group manufactures and sells product of switches, sensors, lens units, camera shutters and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(vi) Other products

Other product group provides services and so on. In selling such services, NIDEC deems its performance obligations to be satisfied upon completion of service provision. Accordingly, NIDEC recognizes revenue from sales at the time of service provision.

(2) Contract balances

The contract assets and contract liabilities for the year ended March 31, 2025 and 2026 are as follows:

(Yen in millions)

|                              | As of April 1, 2024 | As of March 31, 2025 | As of March 31, 2026 |
|------------------------------|---------------------|----------------------|----------------------|
|                              | (Restated)          | (Restated)           |                      |
| Contract assets              |                     |                      |                      |
| Other current assets         | 32,003              | 42,528               | 59,477               |
| Other noncurrent assets      | 471                 | 376                  | 305                  |
| Contract liabilities         |                     |                      |                      |
| Other current liabilities    | 48,663              | 50,073               | 52,110               |
| Other noncurrent liabilities | 53                  | 54                   | 117                  |

Contract assets are the Company's rights to consideration, excluding any amounts presented as a receivable, in exchange for services rendered under the construction contracts in which revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers. Contract assets are recorded by transferring goods or services to a customer before the customer pays consideration or before payment is due and are reclassified into receivables at the time when invoice to the customer because of the Company's right to consideration becomes unconditional, requiring only the passage of time.

Contract liabilities are advances from customers. Contract liabilities are recorded when Nidec has received consideration from the customer before transferring goods or services to a customer and are reclassified into revenue when transferring goods or services to a customer that has satisfied performance obligations.

The balances of contract liabilities as of April 1, 2025 and 2026 were recognized as revenue during the fiscal years ended March 31, 2025 and 2026, respectively.

The amount of revenue recognized during the fiscal years ended March 31, 2026 from performance obligations satisfied in previous period was not material.

(3) Assets recognized from the costs to obtain or fulfill contracts with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer are as described below. The amortization of these assets is ¥430 million for the year ended March 31, 2025 and ¥184 million for the year ended March 31, 2026 and the impairment loss is ¥204 million for the year ended March 31, 2026.

(Yen in millions)

|                                                           | As of March 31, 2025 | As of March 31, 2026 |
|-----------------------------------------------------------|----------------------|----------------------|
|                                                           | (Restated)           |                      |
| Incremental costs of obtaining a contract with a customer |                      |                      |
| Other noncurrent assets                                   | -                    | -                    |
| Assets recognized from the costs to fulfill contracts     |                      |                      |
| Other current assets                                      | -                    | 422                  |
| Other noncurrent assets                                   | 24                   | -                    |

(4) Transaction price allocated to the remaining performance obligations

Transaction price and period for satisfaction allocated to the remaining performance obligations related to construction contracts are as described below. The transactions for which individual estimated contract terms are within one year are excluded.

(Yen in millions)

| Period          | As of March 31, 2025 | As of March 31, 2026 |
|-----------------|----------------------|----------------------|
|                 | (Restated)           |                      |
| Within one year | 103,615              | 107,278              |
| Over one year   | 49,787               | 41,235               |
| Total           | 153,402              | 148,513              |

### 32. Operating expenses

Operating expenses for the year ended March 31, 2026 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥80,612 million of depreciation, ¥22,270 million of amortization and ¥534,032 million of employee benefit expenses. Operating expenses for the year ended March 31, 2025 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥82,943 million of depreciation, ¥19,811 million of amortization and ¥474,761 million of employee benefit expenses.

### 33. Financial income and expenses

(1) Financial income

The breakdown of financial income is as follows:

(Yen in millions)

|                                             | For the years ended March 31, |        |
|---------------------------------------------|-------------------------------|--------|
|                                             | 2025                          | 2026   |
|                                             | (Restated)                    |        |
| Interest income                             |                               |        |
| Financial assets measured at amortized cost | 35,777                        | 34,443 |
| Dividend income                             |                               |        |
| FVTOCI equity financial assets              | 916                           | 941    |
| Others                                      | 193                           | 17     |
| Total                                       | 36,886                        | 35,401 |

(2) Financial expenses

The breakdown of financial expenses is as follows:

(Yen in millions)

|                                                  | For the years ended March 31, |          |
|--------------------------------------------------|-------------------------------|----------|
|                                                  | 2025                          | 2026     |
|                                                  | (Restated)                    |          |
| Interest expenses                                |                               |          |
| Financial liabilities measured at amortized cost | (21,623)                      | (22,706) |
| Others                                           | (3,089)                       | (2,570)  |
| Total                                            | (24,712)                      | (25,276) |

### 34. Earnings per share

The basis for calculating basic and diluted earnings (loss) per share attributable to owners of the parent is as follows:

|                                                                                                 | For the years ended March 31, |               |
|-------------------------------------------------------------------------------------------------|-------------------------------|---------------|
|                                                                                                 | 2025                          | 2026          |
|                                                                                                 | (Restated)                    |               |
| Profit (loss) attributable to owners of the parent (Yen in millions)                            | 84,672                        | (564,624)     |
| Profit (loss) from continuing operations attributable to owners of the parent (Yen in millions) | 84,876                        | (564,573)     |
| Loss from discontinued operations attributable to owners of the parent (Yen in millions)        | (204)                         | (51)          |
| Weighted average shares (Shares)                                                                | 1,148,916,724                 | 1,146,308,959 |
| Stock benefit trust (Shares)                                                                    | 148                           | —             |
| Diluted weighted average shares (Shares)                                                        | 1,148,916,872                 | 1,146,308,959 |
| Earnings (loss) per share attributable to owners of the parent-basic (Yen)                      | 73.69                         | (492.55)      |
| Continuing operations (Yen)                                                                     | 73.87                         | (492.51)      |
| Discontinued operations (Yen)                                                                   | (0.18)                        | (0.04)        |
| Earnings (loss) per share attributable to owners of the parent - diluted (Yen)                  | 73.69                         | (492.55)      |
| Continuing operations (Yen)                                                                     | 73.87                         | (492.51)      |
| Discontinued operations (Yen)                                                                   | (0.18)                        | (0.04)        |

(Notes) In the calculation of "Earnings (loss) per share attributable to owners of the parent - basic" and "Earnings (loss) per share attributable to owners of the parent - diluted", the Company's shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of "Weighted average shares".

### 35. Derivatives

NIDEC manages the exposure of the fluctuations in currency, interest rate and commodity prices through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate swap agreements, currency swap agreements and commodity futures contracts. NIDEC does not hold derivative financial instruments for trading purpose. NIDEC is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered to be minimal due to high credit rating of the counterparties.

#### (1) Cash flow hedges

NIDEC uses foreign exchange forward contracts and commodity futures contracts designated as cash flow hedges to protect against currency risks and commodity price risks inherent in a portion of its forecasted transactions related to purchase commitments.

(2) Derivatives not designated as hedges

NIDEC is unable or has elected not to apply hedge accounting to some of these derivatives from time to time. The changes in the fair value of these contracts are included in "Derivative gain (loss)" and "Foreign exchange differences".

Derivatives designated as cash flow hedges are as follows:

As of March 31, 2025

(Yen in millions)

| (Restated)                         | Notional amount | Carrying amount |             | Line item in the consolidated financial statements    |
|------------------------------------|-----------------|-----------------|-------------|-------------------------------------------------------|
|                                    |                 | Assets          | Liabilities |                                                       |
| Currency risk                      |                 |                 |             |                                                       |
| Foreign exchange forward contracts | 26,790          | 96              | 1,130       | Other financial assets<br>Other financial liabilities |
| Commodity price risk               |                 |                 |             |                                                       |
| Commodity futures contracts        | 1,806           | 531             | 2           | Other financial assets<br>Other financial liabilities |

As of March 31, 2026

(Yen in millions)

|                                    | Notional amount | Carrying amount |             | Line item in the consolidated financial statements    |
|------------------------------------|-----------------|-----------------|-------------|-------------------------------------------------------|
|                                    |                 | Assets          | Liabilities |                                                       |
| Currency risk                      |                 |                 |             |                                                       |
| Foreign exchange forward contracts | 31,695          | 2,045           | 174         | Other financial assets<br>Other financial liabilities |
| Commodity price risk               |                 |                 |             |                                                       |
| Commodity futures contracts        | 1,799           | 164             | 199         | Other financial assets<br>Other financial liabilities |

Derivatives not designated as hedges are as follows:

As of March 31, 2025

(Yen in millions)

| (Restated)                         | Notional amount | Carrying amount |             | Line item in the consolidated financial statements    |
|------------------------------------|-----------------|-----------------|-------------|-------------------------------------------------------|
|                                    |                 | Assets          | Liabilities |                                                       |
| Foreign exchange forward contracts | 53,748          | 65              | 373         | Other financial assets<br>Other financial liabilities |
| Interest rate swap agreements      | 20,000          | -               | 1,070       | Other financial liabilities                           |

As of March 31, 2026

(Yen in millions)

|                                    | Notional amount | Carrying amount |             | Line item in the consolidated financial statements    |
|------------------------------------|-----------------|-----------------|-------------|-------------------------------------------------------|
|                                    |                 | Assets          | Liabilities |                                                       |
| Foreign exchange forward contracts | 46,282          | —               | 263         | Other financial assets<br>Other financial liabilities |
| Interest rate swap agreements      | 20,000          | -               | 2,103       | Other financial liabilities                           |

Carrying amounts of cash flow hedge reserve are as follows:

(Yen in millions)

|                                    | March 31, 2025 | March 31, 2026 |
|------------------------------------|----------------|----------------|
|                                    | (Restated)     |                |
| Currency risk                      |                |                |
| Foreign exchange forward contracts | (1,373)        | 732            |
| Commodity price risk               |                |                |
| Commodity futures contracts        | 171            | (283)          |

The effects of derivatives designated as cash flow hedges on profit or loss are as follows:

For the year ended March 31, 2025

(Yen in millions)

| (Restated)                         | Hedging gain or loss recognized in OCI | Amount reclassified from cash flow hedge reserve to profit or loss | Line item in the consolidated statements of income that includes the reclassification adjustment |
|------------------------------------|----------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Currency risk                      |                                        |                                                                    |                                                                                                  |
| Foreign exchange forward contracts | (2,816)                                | (562)                                                              | Cost of sales                                                                                    |
| Commodity price risk               |                                        |                                                                    |                                                                                                  |
| Commodity futures contracts        | 392                                    | (321)                                                              | Cost of sales                                                                                    |

For the year ended March 31, 2026

(Yen in millions)

|                                    | Hedging gain or loss recognized in OCI | Amount reclassified from cash flow hedge reserve to profit or loss | Line item in the consolidated statements of income that includes the reclassification adjustment |
|------------------------------------|----------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Currency risk                      |                                        |                                                                    |                                                                                                  |
| Foreign exchange forward contracts | 2,604                                  | (499)                                                              | Cost of sales                                                                                    |
| Commodity price risk               |                                        |                                                                    |                                                                                                  |
| Commodity futures contracts        | 571                                    | (1,025)                                                            | Cost of sales                                                                                    |

The amount of hedge ineffectiveness or exclusion from the assessment of hedge effectiveness recognized in profit or loss was not material for the years ended March 31, 2025 and 2026.

As of March 31, 2026, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecast transactions was approximately 23 months.

The effects of derivatives not designated as hedges on profit or loss are as follows:

(Yen in millions)

|                                    | Line item in the consolidated financial statements | For the years ended March 31, |         |
|------------------------------------|----------------------------------------------------|-------------------------------|---------|
|                                    |                                                    | 2025                          | 2026    |
|                                    |                                                    | (Restated)                    |         |
| Foreign exchange forward contracts | Foreign exchange differences                       | (308)                         | (263)   |
| Interest rate swap agreements      | Derivative gain (loss)                             | (694)                         | (1,033) |

### 36. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means;
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

(Fair values of financial instruments measured at amortized cost)

(Yen in millions)

|                                                                                                                          | March 31, 2025  |            | March 31, 2026  |            |
|--------------------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                                                                                          | (Restated)      |            |                 |            |
|                                                                                                                          | Carrying amount | Fair value | Carrying amount | Fair value |
| Short term investments                                                                                                   | 43              | 43         | 156             | 156        |
| Long term investments                                                                                                    | 5,053           | 5,043      | 77              | 76         |
| Short term loans receivable                                                                                              | 11              | 11         | 9               | 9          |
| Long term loans receivable                                                                                               | 209             | 187        | 432             | 420        |
| Short term borrowings                                                                                                    | (93,710)        | (93,710)   | (587,026)       | (587,026)  |
| Long term debt<br>(including long term debt due within one year and excluding the lease liabilities and corporate bonds) | (264,734)       | (259,528)  | (366,568)       | (355,096)  |
| Corporate bonds<br>(including corporate bonds due within one year)                                                       | (220,877)       | (215,965)  | (89,925)        | (83,735)   |

The following are explanatory notes relating to fair value estimation of the financial instruments.

(1) Short term investments, short term loans receivable and short term borrowings

In the normal course of business, substantially all short term investments (time deposits), short term loans receivable and short term borrowings are highly liquid and are carried at amounts that approximate their fair values.

(2) Long term investments

The fair value of Long term investments is mainly held to trust funding which is contributed for the performance-linked share-based compensation plan. It is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(3) Long term loans receivable

The fair value of long term loans receivable is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(4) Long term debt

The fair value of long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) is estimated based on the present value of future repayment amounts by discounting at NIDEC's expected incremental borrowing rates for similar liabilities and classified as Level 2.

(5) Corporate bonds

The fair value of bonds issued by NIDEC (including corporate bonds due within one year) is estimated based on the quoted market price for the NIDEC's bonds in markets that are not active and classified as Level 2.

The fair values of "cash and cash equivalents", "trade and other receivables" and "trade and other payables" approximate their carrying amounts because of the short maturity of these instruments. Therefore, the table described above excludes these financial

instruments.

(Breakdown of financial instruments measured at fair value on a recurring basis by levels of the fair value hierarchy)

The following is an analysis of financial instruments measured at fair value after they are initially recognized.

The breakdown of financial assets and financial liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

As of March 31, 2025

(Yen in millions)

| (Restated)                                            | Level 1 | Level 2 | Level 3 | Total  |
|-------------------------------------------------------|---------|---------|---------|--------|
| Assets:                                               |         |         |         |        |
| Marketable securities and other investment securities |         |         |         |        |
| FVTOCI equity financial assets                        | 28,030  | -       | 3,269   | 31,299 |
| FVTOCI debt financial assets                          | -       | 38      | -       | 38     |
| Derivatives                                           | 531     | 161     | -       | 692    |
| Total financial assets                                | 28,561  | 199     | 3,269   | 32,029 |
| Liabilities:                                          |         |         |         |        |
| Derivatives                                           | 2       | 2,573   | -       | 2,575  |
| Total financial liabilities                           | 2       | 2,573   | -       | 2,575  |

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2025.

As of March 31, 2026

(Yen in millions)

|                                                       | Level 1 | Level 2 | Level 3 | Total  |
|-------------------------------------------------------|---------|---------|---------|--------|
| Assets:                                               |         |         |         |        |
| Marketable securities and other investment securities |         |         |         |        |
| FVTOCI equity financial assets                        | 37,512  | -       | 3,350   | 40,862 |
| FVTOCI debt financial assets                          | -       | 0       | -       | 0      |
| Derivatives                                           | 164     | 2,045   | -       | 2,209  |
| Total financial assets                                | 37,676  | 2,045   | 3,350   | 43,071 |
| Liabilities:                                          |         |         |         |        |
| Derivatives                                           | 199     | 2,539   | -       | 2,738  |
| Total financial liabilities                           | 199     | 2,539   | -       | 2,738  |

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2026.

Level 1 securities and derivatives including commodity futures are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 securities are valued using non-active market prices for identical assets. Level 2 derivatives including foreign exchange forward contracts are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

Level 3 securities are composed mainly of unlisted shares. Fair values of those unlisted shares are calculated by discounted cash flow method, etc. For securities of level 3, no significant changes in fair value are expected to occur as a result of changing unobservable inputs to other alternative assumptions that are considered reasonable.

The reconciliation of financial instruments categorized as Level 3 is as follows:

*(Yen in millions)*

|                                                 | For the years ended March 31, |       |
|-------------------------------------------------|-------------------------------|-------|
|                                                 | 2025                          | 2026  |
|                                                 | (Restated)                    |       |
| Balance at beginning of year                    | 2,228                         | 3,269 |
| Gains or losses:                                |                               |       |
| Recognized in other comprehensive income (Note) | (90)                          | 121   |
| Purchases                                       | -                             | -     |
| Sales                                           | (5)                           | (40)  |
| Acquisition by business combination             | -                             | -     |
| Others                                          | 1,136                         | —     |
| Balance at end of year                          | 3,269                         | 3,350 |

(Note) Those are included in "fair value movements on FVTOCI equity financial assets" and "foreign currency translation adjustments" in the consolidated statements of other comprehensive income.

### 37. Related party transactions

(1) Transactions with related parties for the years ended March 31, 2025 and 2026 are as follows:

(Sales of goods and services)

(Yen in millions)

|                                          | For the years ended March 31, |      |
|------------------------------------------|-------------------------------|------|
|                                          | 2025                          | 2026 |
|                                          | (Restated)                    |      |
| Related parties                          |                               |      |
| S.N. Kosan, Ltd.*1                       | 3                             | 3    |
| Nagamori Foundation*2                    | 13                            | 15   |
| Nagamori Gakuen Educational Foundation*3 | 21                            | 21   |
| Nagamori Culture Foundation*4            | 78                            | 72   |

(Notes) \*1. A major shareholder of NIDEC owns a majority of voting rights of S.N. Kosan, Ltd.

\*2. A major shareholder of NIDEC concurrently serves as president of Nagamori Foundation.

\*3. A major shareholder of NIDEC concurrently serves as chairman of the board of trustees of Nagamori Gakuen Educational Foundation.

\*4. A major shareholder of NIDEC concurrently serves as representative director of Nagamori Culture Foundation.

Sales of goods and services to related parties are entered into on terms determined individually upon consultation by reference to market prices.

(Purchase of goods and services)

(Yen in millions)

|                                        | For the years ended March 31, |      |
|----------------------------------------|-------------------------------|------|
|                                        | 2025                          | 2026 |
|                                        | (Restated)                    |      |
| Related parties                        |                               |      |
| S.N. Kosan, Ltd.                       | 11                            | 11   |
| Nagamori Gakuen Educational Foundation | 81                            | 83   |
| Nagamori Culture Foundation            | 1                             | 1    |
| Green Kosan, LLC*5                     | 66                            | -    |

(Note) \*5. A major shareholder of NIDEC concurrently serves as representative member of Green Kosan, LLC.

Purchase of goods and services from related parties are entered into on terms determined individually upon consultation by reference to market prices. The payment of joint research costs to Nagamori Gakuen Educational Foundation is determined based on the joint research agreement concluded upon mutual consultation.

(Outstanding balances arising from sales and purchases of goods and services)

(Yen in millions)

|                                        | March 31, 2025 | March 31, 2026 |
|----------------------------------------|----------------|----------------|
|                                        | (Restated)     |                |
| Receivables from related parties       |                |                |
| S.N. Kosan, Ltd.                       | -              | -              |
| Nagamori Foundation                    | 0              | 0              |
| Nagamori Gakuen Educational Foundation | 2              | 2              |
| Nagamori Culture Foundation            | 1              | 0              |
| Payables to related parties            |                |                |
| S.N. Kosan, Ltd.                       | -              | -              |
| Nagamori Gakuen Educational Foundation | -              | 5              |
| Nagamori Culture Foundation            | 0              | 0              |
| Green Kosan, LLC                       | -              | -              |

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2025 and 2026. In addition, there were no expenses recognized during the years ended March 31, 2025 and 2026 in respect of receivables from related parties.

(2) NIDEC's key management personnel compensation for the years ended March 31, 2025 and 2026 are as follows:

(Yen in millions)

|                                             | For the years ended March 31, |       |
|---------------------------------------------|-------------------------------|-------|
|                                             | 2025                          | 2026  |
|                                             | (Restated)                    |       |
| Fixed compensation                          | 707                           | 593   |
| Variable compensation                       | 301                           | 453   |
| Performance-linked share-based compensation | 215                           | 80    |
| Total                                       | 1,223                         | 1,126 |

For the year ended March 31, 2025, key management personnel were defined as directors and executive officers who participate in Nidec's Management Meeting. For the year ended March 31, 2026, the scope of key management personnel was changed to encompass executive officers and higher.

### 38. Subsidiaries and associates

#### (1) Composition of the group

Major subsidiaries of the Company are as follows:

- ① The main subsidiaries in small precision motors product group are Nidec Electronics (Thailand) Co., Ltd. which manufactures spindle motors for hard disk drives, and Nidec (H.K.) which sales other small precision motors.
- ② The main subsidiary in automotive product group is Nidec Automotive Motor (Zhejiang) Co., Ltd., which manufactures automotive motors and other products.
- ③ The main subsidiary in appliances, commercial, and industrial product group is Nidec Americas Holding Corporation which manufactures machine tools and other products.
- ④ The main subsidiary in mechanical equipment product group is Nidec Machine Tool Corporation and other companies.
- ⑤ The main subsidiary in electronic and optical components product group is Nidec Instruments Corporation which manufactures industrial robots and other products.
- ⑥ The main subsidiary in other product group is Nidec Instruments Corporation which products music boxes.

#### (2) Subsidiaries that have non-controlling interests that are material

There is no subsidiary that has non-controlling interests that are material.

#### (3) Aggregate financial information about investments in associates that are not individually material

*(Yen in millions)*

|                                           | As of March 31, 2025 | As of March 31, 2026 |
|-------------------------------------------|----------------------|----------------------|
|                                           | (Restated)           |                      |
| Carrying amount of interest in associates | 1,044                | 1,621                |

*(Yen in millions)*

|                                   | For the years ended March 31, |         |
|-----------------------------------|-------------------------------|---------|
|                                   | 2025                          | 2026    |
|                                   | (Restated)                    |         |
| Comprehensive income for the year |                               |         |
| Loss for the year                 | (3,179)                       | (1,010) |
| Total                             | (3,179)                       | (1,010) |

### 39. Leases

#### 1. Lessee

NIDEC leases certain assets under lease arrangements. The summary of leases is as follows:

#### (1) Carrying amounts of right-of-use assets

(Yen in millions)

| (Restated)                                 | Land    | Buildings | Machinery and equipment | Vehicles | Software |
|--------------------------------------------|---------|-----------|-------------------------|----------|----------|
| Balance at April 1, 2024                   | 6,796   | 31,944    | 2,435                   | 2,568    | 37       |
| Depreciation and impairment loss           | (420)   | (11,491)  | (1,163)                 | (1,237)  | (35)     |
| Acquisitions through business combinations | -       | 3,683     | -                       | 2        | -        |
| New contract                               | 20      | 8,725     | 1,404                   | 1,962    | -        |
| Foreign currency translation adjustments   | (91)    | (574)     | (40)                    | (11)     | -        |
| Others *3                                  | (285)   | (1,428)   | (253)                   | (717)    | (2)      |
| Balance at March 31, 2025                  | 6,020   | 30,859    | 2,383                   | 2,567    | 0        |
| Depreciation and impairment loss           | (2,780) | (20,365)  | (2,738)                 | (2,480)  | 0        |
| Acquisitions through business combinations | -       | 199       | -                       | -        | -        |
| New contract                               | 240     | 18,554    | 2,118                   | 2,099    | -        |
| Foreign currency translation adjustments   | 417     | 2,027     | 209                     | 338      | -        |
| Others *3                                  | (50)    | (7,284)   | (183)                   | (596)    | -        |
| Balance at March 31, 2026                  | 3,847   | 23,990    | 1,789                   | 1,928    | -        |

(Notes)\*1. Land, buildings, machinery and equipment, vehicles are included in "Property, plant and equipment" in the consolidated statement of financial position.

\*2. Software is included in "Intangible asset" on the Consolidated Statement of Financial Position.

\*3. Others include cancellations of lease contract and so forth.

#### (2) Lease liabilities

(Yen in millions)

| Term                                                                                    | March 31, 2025 | March 31, 2026 |
|-----------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                         | (Restated)     |                |
| Within one year                                                                         | 13,130         | 14,387         |
| Over one year within five years                                                         | 31,147         | 37,931         |
| Over five years                                                                         | 27,982         | 30,967         |
| Total undiscounted lease liabilities at March 31                                        | 72,259         | 83,285         |
| Lease liabilities included in consolidated statements of financial position at March 31 | 59,871         | 69,885         |
| Current                                                                                 | 11,589         | 12,625         |
| Non-current                                                                             | 48,282         | 57,260         |
| Total                                                                                   | 59,871         | 69,885         |

(Note) Lease liabilities are split between long term debt due within one year and long term debt in the consolidated statements of financial position.

(3) The amount recognized in profit or loss

(Yen in millions)

|                                                         | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2026 |
|---------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                         | (Restated)                           |                                      |
| Depreciation and impairment loss of right-of-use assets |                                      |                                      |
| Land                                                    | 420                                  | 2,780                                |
| Buildings                                               | 11,491                               | 20,365                               |
| Machinery and equipment                                 | 1,163                                | 2,738                                |
| Vehicles                                                | 1,237                                | 2,480                                |
| Software                                                | 35                                   | 0                                    |
| Subtotal                                                | 14,346                               | 28,363                               |
| Interest expense                                        | 1,465                                | 1,681                                |
| Expenses relating to short-term leases                  | 6,021                                | 4,858                                |
| Expenses relating to low-value asset leases             | 1,586                                | 1,736                                |
| Subtotal                                                | 9,072                                | 8,275                                |
| Total                                                   | 23,418                               | 36,638                               |

(4) The amount recognized in statements of cash flows

At March 31, 2025 and 2026, the total cash outflow for leases is ¥ 12,852 million and ¥ 12,455 million.

## 2. Lessor

### (1) Operating lease

NIDEC is a lessor of a portion of the buildings and equipment in operating leases.

Rental income under operating leases for the year ended March 31, 2025 and 2026 were ¥49 million and ¥40 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

(Yen in millions)

| Term                               | March 31, 2025 | March 31, 2026 |
|------------------------------------|----------------|----------------|
|                                    | (Restated)     |                |
| Within one year                    | 0              | 110            |
| Over one year within five years    | -              | 146            |
| Over five years                    | -              | -              |
| Total future minimum rental income | 0              | 256            |

(2) Finance lease

NIDEC is a lessor of a portion of the equipment in finance leases.

The gross investment in the lease and the net investment in the lease for finance lease contracts and the reconciliation of these items as of March 31, 2025 and 2026, are as follows:

*(Yen in millions)*

| Term                                | March 31, 2025 | March 31, 2026 |
|-------------------------------------|----------------|----------------|
|                                     | (Restated)     |                |
| Within one year                     | 285            | 932            |
| Over one year within five years     | 1,724          | 4,065          |
| Over five years                     | -              | 1,314          |
| Total gross investment in the lease | 2,009          | 6,311          |
| Less: Unearned finance income       | 159            | 634            |
| Net investment in the lease         | 1,850          | 5,677          |

The breakdown of the revenue from finance leases is as follows:

*(Yen in millions)*

| Term                   | March 31, 2025 | March 31, 2026 |
|------------------------|----------------|----------------|
|                        | (Restated)     |                |
| Selling profit or loss | -              | -              |
| Interest income        | 49             | -              |

#### 40. Financial instruments

##### (1) Capital management

NIDEC's capital management principle is to optimize capital structure by achieving a balance between capital efficiency and financial strength, while sustainably increasing corporate value and aiming for a total payout ratio of 50%.

NIDEC's ratio of equity attributable to owners of the parent to total assets and profit ratio of equity attributable to owners of the parent are as follows:

|                                                                      | March 31, 2025 | March 31, 2026 |
|----------------------------------------------------------------------|----------------|----------------|
|                                                                      | (Restated)     |                |
| Ratio of equity attributable to owners of the parent to total assets | 42.5 %         | 25.6 %         |

|                                                             | For the years ended March 31, |          |
|-------------------------------------------------------------|-------------------------------|----------|
|                                                             | 2025                          | 2026     |
|                                                             | (Restated)                    |          |
| Profit ratio of equity attributable to owners of the parent | 6.9 %                         | (55.5) % |

There are no material capital regulations applicable to NIDEC.

##### (2) Credit risk management

NIDEC defines default on trade receivables as "claims becoming unrecoverable due to customer's failure to fulfill its obligation". Therefore, regarding trade receivables, Nidec is regularly monitoring the financial position of main clients by checking payment terms and credit balance for each client according to the credits management policies to ensure early identification and mitigation of the potential credit loss associated with deterioration of their financial position.

No significant concentration of credit risk is present in a particular customer.

NIDEC's maximum exposure to credit risks is the carrying amount of financial assets less impairment losses in the consolidated financial statements.

The analysis of aging of receivables that are past due and expected credit loss of those financial assets are as follows:

As of March 31, 2025

(Yen in millions)

| (Restated)                     | Past due |                   |                                 |               |
|--------------------------------|----------|-------------------|---------------------------------|---------------|
|                                | Total    | Within six months | Over six months within one year | Over one year |
| Trade and other receivables:   |          |                   |                                 |               |
| Gross amount                   | 51,689   | 40,381            | 5,416                           | 5,892         |
| Expected credit loss allowance | (6,910)  | (33)              | (985)                           | (5,892)       |
| Net amount                     | 44,779   | 40,348            | 4,431                           | —             |
| Rate of expected credit loss   | 13.4%    | 0.1%              | 18.2%                           | 100.0%        |
| Other financial assets:        |          |                   |                                 |               |
| Gross amount                   | 446      | -                 | -                               | 446           |
| Expected credit loss allowance | (445)    | -                 | -                               | (445)         |
| Net amount                     | 1        | -                 | -                               | 1             |
| Rate of expected credit loss   | 99.8%    | —                 | —                               | 99.8%         |

As of March 31, 2026

(Yen in millions)

|                                | Past due |                   |                                 |               |
|--------------------------------|----------|-------------------|---------------------------------|---------------|
|                                | Total    | Within six months | Over six months within one year | Over one year |
| Trade and other receivables:   |          |                   |                                 |               |
| Gross amount                   | 55,680   | 38,887            | 4,380                           | 12,413        |
| Expected credit loss allowance | (11,177) | (317)             | (197)                           | (10,663)      |
| Net amount                     | 44,503   | 38,570            | 4,183                           | 1,750         |
| Rate of expected credit loss   | 20.1%    | 0.8%              | 4.5%                            | 85.9%         |
| Other financial assets:        |          |                   |                                 |               |
| Gross amount                   | 445      | -                 | -                               | 445           |
| Expected credit loss allowance | (445)    | -                 | -                               | (445)         |
| Net amount                     | 0        | -                 | -                               | 0             |
| Rate of expected credit loss   | 100.0%   | —                 | —                               | 100.0%        |

The changes in the balance of expected credit loss allowance directly deducted from assets are as follows:

(Yen in millions)

|                                                          | For the year ended March 31, |                        |                             |                        |
|----------------------------------------------------------|------------------------------|------------------------|-----------------------------|------------------------|
|                                                          | 2025                         |                        | 2026                        |                        |
|                                                          | (Restated)                   |                        |                             |                        |
|                                                          | Trade and other receivables  | Other financial assets | Trade and other receivables | Other financial assets |
| Expected credit loss allowances at beginning of the year | 6,419                        | 449                    | 9,180                       | 451                    |
| Expected credit loss allowance, net of reversal          | 3,968                        | (1)                    | 4,697                       | 2                      |
| Usage as intended                                        | (920)                        | -                      | (1,791)                     | -                      |
| Foreign currency translation and other                   | (287)                        | 3                      | 1,109                       | 0                      |
| Expected credit loss allowances at the end of the year   | 9,180                        | 451                    | 13,195                      | 453                    |

### (3) Liquidity risk management

NIDEC relies on borrowings from financial institutions and capital raising from direct financing markets to finance its operations and capital expenditures. If, due to changes in financial market conditions or other factors, financial institutions reduce, terminate or otherwise modify the amounts or terms of their lending or credit lines to NIDEC, if there is a significant downgrade of its credit ratings by one or more credit rating agencies as a result of any deterioration of its financial condition or if investor demand significantly decreases due to economic downturns or otherwise, NIDEC may not be able to access funds when NIDEC needs them on acceptable terms.

To address such liquidity risks, NIDEC regularly checks the status of liquidity on hand and interest-bearing liabilities, and develops a financing plan. In accordance with a plan, the board of directors approves the establishment of credit line for flexible financing in accordance with the plan. Furthermore, by entering into committed credit line agreements with its relationship banks, NIDEC seeks to mitigate liquidity risk.

See "22. Short term borrowings and long term debt" for the aggregate amounts of annual maturity of long term debts.

#### (4) Market risk management

##### 1) Currency risk management

A significant portion of NIDEC overseas sales is denominated in currencies other than Japanese yen, primarily the U.S. dollar, Euro, Chinese yuan and Thai baht. NIDEC is exposed to currency risks arising from the appreciation of the Japanese yen against each currency. The appreciation of the Japanese yen against each currency would have negative effects on NIDEC's sales, operating profit and profit for the year, etc. Furthermore, foreign exchange fluctuation affects the consolidation of financial statements of foreign subsidiaries.

To mitigate the currency risks, NIDEC, in principle, controls the balance of monetary assets and liabilities of each currency and uses a natural hedge such as selling and purchasing in a same currency. For some cases, NIDEC uses foreign exchange forward contracts and other contracts to reduce the impact of foreign exchange fluctuations.

The financial impacts on profit before income taxes in the case of appreciation of Japanese yen against the U.S. dollar and Euro by 1% on the foreign currency denominated financial instruments held by NIDEC while all other variables are held constant as of March 31, 2024 and 2025 are as follows:

*(Yen in millions)*

|                                                  | For the years ended March 31, |         |
|--------------------------------------------------|-------------------------------|---------|
|                                                  | 2025                          | 2026    |
|                                                  | (Restated)                    |         |
| U.S. dollar (appreciation of Japanese yen by 1%) | (2,681)                       | (2,667) |
| Euro (appreciation of Japanese yen by 1%)        | (655)                         | (1,810) |

##### 2) Interest rate risk management

As NIDEC has no significant interest-bearing assets, NIDEC's profit or loss and cash flows are substantially independent of changes in market interest rates.

NIDEC has interest-bearing liabilities and enters into interest rate swaps and other contracts in order to manage the risks of the interest rate fluctuation and changes in cash flows of those liabilities. In addition, we monitor the interest rate fluctuation regularly. As a result, interest rate sensitivity analysis is omitted because payment of interest does not have material impacts on NIDEC.

##### 3) Share price fluctuation risk management

For shares that NIDEC holds, we regularly check their market share price and financial condition of the issuers and monitor unrealized profits or losses. In addition, we review the shareholding on a continuous and as needed basis, taking into consideration the relationship with the issuers.

The impacts on other comprehensive income before tax effects in the consolidated statement of comprehensive income in the case of a 10% decline in the market prices of listed shares held by NIDEC as of March 31, 2025 and 2026 are as follows:

*(Yen in millions)*

|                                                 | For the years ended March 31, |         |
|-------------------------------------------------|-------------------------------|---------|
|                                                 | 2025                          | 2026    |
|                                                 | (Restated)                    |         |
| Other comprehensive income (before tax effects) | (2,803)                       | (3,751) |

#### 41. Contingent liabilities

At March 31, 2026, NIDEC had total contingent liabilities of ¥64,433 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

As a result of a comprehensive quality inspection conducted as part of efforts to improve internal management systems by the Nidec Corporate Reform Committee established on October 30, 2025, the issues were identified that improper conduct, including changes to materials, processes, and designs without customer check, had occurred in certain products manufactured by NIDEC.

In order to conduct an objective investigation for more detailed clarification of the facts and identification of root causes and consider effective measures to prevent recurrence, NIDEC established the Investigation Committee composed of external experts and chaired by an outside attorney on May 13, 2026. NIDEC received investigation report created by the Committee on September 2, 2026. Based on the findings of this investigation, the Company is sequentially contacting and explaining the situation to customers related to the products involved in this matter and is proceeding with discussions regarding future actions.

Expenses related to inspections and corrective measures for the quality-related misconduct identified by the year ended March 31, 2026 have been recorded on the Consolidated Financial Statements as provision for product warranties to the extent that they meet the criteria for recognizing a provision and can be reasonably estimated. However, discussions with customers are ongoing, and depending on the outcome of these discussions, expenses related to customer compensation, damages, product recalls and replacements, and other costs may arise, which could affect our future financial position and operating results. As it is difficult at this time to estimate the likelihood of these events occurring or to determine reasonable amounts and the criteria for recognizing provisions have not been met, they have not been reflected in the consolidated financial statements for the year ended March 31, 2026. NIDEC has recorded other payables associated with settling suppliers ¥ 4,207 million in the “MOEN” segment for the year ended March 31, 2026, because a claim for reimbursement from a supplier based on a purchase agreement was settled.

#### 42. Commitments

Commitments for expenditures after the closing date are as follows:

*(Yen in millions)*

|                                                | March 31, 2025 | March 31, 2026 |
|------------------------------------------------|----------------|----------------|
|                                                | (Restated)     |                |
| Property, plant and equipment and other assets | 15,351         | 28,636         |

### 43. Additional information

(Improper accounting practices and other related matters)

#### (1) Investigations by Third-Party Committee

The Company identified that suspected improper accounting practices involving or recognized by the management of the Company and the group companies were found for the fiscal year ended March 31, 2026, and these practices, including arbitrarily adjusting the timing of write-downs of certain assets with risk in terms of their asset value, may impose a material impact on the Company's overall consolidated financial statements. Thus, the Company determined that it would need to launch an objective investigations by the independent Third-Party Committee, and established such a committee on September 3, 2025, in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations. The Company commissioned the Third-Party Committee: fact-finding investigations into suspected improper accounting practices; calculation of the amount of impact if improper accounting practices is found; root cause investigations and recommendation of recurrence prevention measures if improper accounting practices is found; and other matters deemed necessary by the Third-Party Committee.

In addition, while ensuring a mechanism that an external expert confirms the details of each procedure to ensure objectivity under the management and supervision of the Third-Party Committee, the Company conducted a self-inspection to investigate the appropriateness of the accounting treatment from the fiscal year ended March 31, 2020 to the first quarter of fiscal year ended March 31, 2026 for 288 companies, including the Company and group companies, excluding certain bases not subject to performance management by the Company, such as regional headquarters, dormant companies, companies in liquidation, and shared services. For this inspection, the Company created a procedure checklist that considers types of improper accounting practices, such as premature revenue recognition, understatement of provisions, overstatement of inventories, and avoidance of fixed asset impairment losses and capitalization of expenses, which were identified in the Third-Party Committee's investigation, issues of improper accounting practices generally assumed, and improper accounting practices based on methods used in past cases of accounting fraud or improper accounting practices in the Nidec Group. Based on this checklist, personnel in charge at each base conducted an inspection, which was cross-checked by personnel in charge of other bases, and confirmed by an external expert. The inspection took a conservative approach and covered a period of one year earlier than that of the Third-Party Committee investigation (from the fiscal year ended March 31, 2021 to the first quarter of fiscal year ended March 31, 2026). In addition, the Company corrected misstatements in the consolidated financial statements and other disclosures for the fiscal year ended March 31, 2026.

The Company received the investigation report from the Third-Party Committee on February 27, 2026, and the investigation report (supplement) as its final report on April 17 of the same year.

In these reports, a large number of instances of improper accounting practices through misconduct and errors were pointed out at various operating bases in the Company and the group companies. In light of the final report from the Third-Party Committee, including the results of the self-inspection, and the internal investigations and other internal investigations regarding potential quality issues, the Company decided that it was necessary to retroactively correct misstatements associated with the improper accounting practices and other practices in the consolidated financial statements and other related documents, 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.

The amount of impact on operating profit due to the correction of the misstatements was a positive effect by ¥66,201 million for the fiscal year ended March 31, 2026 and a negative effect by ¥109,615 million for the fiscal year ended March 31, 2025. Additionally, the amount of impact on total net assets in the consolidated financial statements as of the end of the second quarter of the fiscal year ended March 31, 2026 was a negative effect of ¥482,457 million.

In addition, considering the impact of these corrections on our financial statements, it was revealed that the acquisition of treasury shares executed in the fiscal year ended March 31, 2022 (¥31,413 million), and the total amount of dividends of surplus and acquisition of treasury shares executed in the fiscal year ended March 31, 2023 (¥94,014 million), the fiscal year ended March 31, 2024 (¥41,244 million), and the fiscal year ended March 31, 2025 (¥53,793 million), as well as the dividends of surplus executed in the fiscal year ended March 31, 2026 (¥22,960 million), all exceeded the distributable amount calculated in accordance with the Companies Act of Japan and the Regulation on Corporate Accounting.

The Company may be subject to an investigation by regulatory authorities or a payment order for administrative monetary penalty in relation to the corrections of these misstatements, as a violation of disclosure regulations under the Financial Instruments and Exchange Act. If an investigation is conducted, the Company will respond appropriately, including by cooperating with the investigation. However, since it is currently difficult to reasonably estimate the impact of these matters on the financial condition

and operating results of the Company and its Group companies, they have not been reflected in the consolidated financial statements.

## (2) Internal Investigation regarding Potential Quality Issues

As part of efforts to improve the internal management system under the “Nidec Corporate Reform Committee,” which was established on October 30, 2025, the Company conducted a comprehensive quality inspection through various measures, including interviews with employees at each production base, verifying records related to process and design changes, etc., and establishing whistle-blowing contact points (the Quality Feedback Channel) for all employees to report quality-related concerns. As a result, it was identified that there were suspicions of inappropriate conduct by the Company and its group companies, including changes to materials, processes, and designs for certain products without customer approval. It was identified that there were suspicions of inappropriate conduct by the Company and its group companies, including changes to materials, processes, and designs for certain products without customer approval.

Following reports of allegations of misconduct, the Company established an investigation committee on May 13, 2026, consisting of external experts with extensive experience and expertise in investigating similar incidents, to clarify the facts in greater detail, determine the causes, and consider effective improvement actions to strengthen its commitment to product quality. The Company received the investigation report on September 2, 2026.

As a result of the investigation by the Investigation Committee, expenses and other costs related to inspection and corrective measures concerning the inappropriate acts regarding quality identified by the end of the fiscal year ended March 31, 2026 have been reasonably estimated and recorded as a provision for product warranties for the fiscal year ended March 31, 2026; however, the impact on the consolidated financial statements is limited.

As discussions with customers are ongoing and expenses, such as customer compensation, compensation for damage, and expenses related to inspections and corrective measures, may arise depending on the outcome of future discussions, which could affect our financial condition and operating results in the future, these are noted as contingent liabilities for the fiscal year ended March 31, 2026. (See Notes 27. Provisions and 41. Contingent Liabilities)

## (3) Other Internal Investigation

The Company has conducted internal investigations, including those involving external expert with experience in international trade law and customs law, regarding matters such as those described below (such as issues related to trade transactions and tariffs), and has appropriately reflected the resulting financial impact in its consolidated financial statements.

### 1) Internal Investigation Regarding tariff issues

Regarding the matters where there is a high likelihood of errors in U.S. import declarations related to tariff classification, country of origin declarations, claims under trade preference agreements, and import valuation at the Company’s consolidated subsidiary, NIDEC FIR INTERNATIONAL S.R.L. (hereinafter, “FIR”), the Company conducted the investigation by external experts as part of its internal investigation. The investigation was completed, and FIR paid additional tariffs of USD 6.8 million (approximately ¥991 million), including interest, for the period from April 1, 2021 to September 30, 2025. On December 2, 2025, FIR received notification from the U.S. Customs Service that the review of the voluntary declaration had been closed. This matter has been appropriately reflected in the consolidated financial statements.

In addition, we commissioned external experts to investigate whether there were any similar problems in terms of trade compliance outside of FIR, and discovered an error in the indication of the country of origin in the Group’s exports to the United States. As a result of a statistical sampling survey of all transactions of major import bases pertaining to exports from the Company’s bases to the United States (over the past five years), it was found that there were some errors in tariff classification, country of origin, application of preferential treatment based on preferential trade agreements, and import prices in import declarations to the United States. As a result, additional tariffs on import transactions for which NIDEC MOTOR CORPORATION and NIDEC GLOBAL APPLIANCE NORTH AMERICA, the major U.S. bases, served as the Importer of Record (IOR) were calculated to be USD 70.7 million (approximately ¥10,667 million), including interest, and they filed a voluntary declaration in August 2026. As the examination of the voluntary declaration by the U.S. customs authorities has not been completed, the Company has properly reflected the amount of USD 70.7 million (approximately ¥10,667 million), including interest in the consolidated financial statements based on the investigation results by external experts. For other U.S. import bases, a statistical sampling survey was conducted for five bases selected based on the materiality of the financial impact in the same manner as NMC and NGANA, and by applying the declaration errors identified in the extracted transactions to the target transactions, the impact was estimated at USD 16.6 million (approximately ¥ 2,502 million) and properly reflected in the consolidated financial statements.

A sample survey is currently underway for the remaining 21 bases, and a reasonable current estimate of the impact was properly reflected in the consolidated financial statements. These 26 bases plan to file a voluntary declaration for additional tariffs.

Furthermore, the Company conducted investigations and analyses not only for export transactions to the United States but also for intra-group transactions other than imports to the United States, to determine whether there were any tariff risks. Specifically, after examining the relevant transactions, the Company conducted an analysis of the transaction details and a further investigation through surveys and interviews, etc., and analyzed the impact of the confirmed matters from accounting, tax, and legal perspectives. As a result, no issues with a significant financial impact were identified.

## 2) Internal Investigation Regarding Nidec Elesys Corporation

Regarding the matters in which it was suspected that the declared tariff values for the gratuitous transactions of used products had been understated below appropriate values without legitimate justification at the Company's consolidated subsidiary, Nidec Elesys Corporation (currently the Inverter Business Division of Nidec Corporation's Automotive Motor & Electronic Control Business Unit), in prior-period export transactions to China, the Company conducted the investigation by external experts as part of our internal investigation. The investigation was finalized and the company recognized it had no material impact on the consolidated financial statements.

## 3) Internal Investigation Regarding a Swiss Consolidated Subsidiary

Regarding the matters in which the Company's consolidated subsidiary in Switzerland had conducted export transactions without obtaining the necessary registrations, the Company conducted the investigation by external experts as part of our internal investigation. The investigation was finalized and the company recognized it had no material impact on the consolidated financial statements.

## 4) Internal Investigation Regarding a Chinese Consolidated Subsidiary

As it was recognized through whistle-blowing reports that a Chinese consolidated subsidiary of the Company could have intentionally underreported withholding income taxes in the consolidated fiscal years including the previous fiscal year, an investigation was conducted by an external expert as part of the internal investigation. The investigation was completed and revealed that employees in managerial positions had intentionally understated the amount of withholding income tax and that provisions had been recorded for reasons that were unclear. However, the Company recognized that the impact of these issues on the consolidated financial statements would be limited.

## (4) Background of the Improper Accounting Practices and Measures to Prevent Recurrence

As previously mentioned, the investigation by the Third-Party Committee and the other internal investigations revealed a large number of instances of improper accounting practices through misconduct and errors across various bases in the Group.

The identified improper accounting practices involves a wide range of instances, including those by errors, such as: an instance where loss on valuation of inventory was not recorded by falsely recognizing asset values in raw materials and products with extremely low future usage and sales prospects and no asset value; an instance where impairment was avoided by including projects with low probability of realization in sales plans used as assumptions for fixed asset impairment tests; an instance where labor costs, for which it was not appropriate to include in fixed assets as incidental expenses, were recorded as fixed assets and expensed through depreciation, thereby deferring the timing of expense recognition; an instance where, in the course of preparing the Group's consolidated financial statements, provisions related to return of government grants and so on, recorded in the non-consolidated financial statements of subsidiaries were improperly reversed in the consolidated financial statements; an instance where grants, which due to their nature, should not be recognized as revenue, were falsely represented and recognized as revenue; and an instance where provisions for allowance for doubtful accounts of bad debts were not appropriately recorded.

The Third-Party Committee's investigation concluded that each improper accounting practice discovered was a misconduct undertaken against a backdrop of excessive pressure to achieve performance targets, particularly operating profit targets. Within the Group, under the forceful leadership of its founder, Mr. Nagamori, the idea that "losses are unacceptable" had been thoroughly entrenched over many years, and achieving performance targets had come to be seen as imperative. For many years, the Group's performance targets were set by Mr. Nagamori using a top-down approach and allocated to individual business divisions and subsidiaries. However, these targets were set from the perspective of the level of growth expected by investors, and they exceeded

the capabilities of the business divisions and subsidiaries. On top of that, Mr. Nagamori applied considerable pressure to the Vice Presidents and the CFO at the head office, who were in charge of the business divisions and subsidiaries, to achieve performance targets, and this pressure on the Vice Presidents and others at the head office was then passed on to the executives of the business divisions and subsidiaries. Under such circumstances, the check-and-balance function of the management departments, such as the internal audit and accounting departments, did not work sufficiently (internal control failure). Consequently, as the excessive performance pressure was placed on the entire Group and internal controls did not function sufficiently, a large number of instances of improper accounting practices occurred at various bases.

The Company published its Improvement Plan and Status Report (hereinafter referred to as the “improvement plan”) for the purpose of fundamentally improving the internal management system, etc. and submitted it to the Tokyo Stock Exchange on January 28, 2026.

Since then, the Company has been working on the development and operation of corrective measures in accordance with the improvement plan. On February 27 and April 17, 2026, the Company received the investigation report from the Third-Party Committee and, based on this report and other internal investigation results, re-examined and reviewed the improvement plan. A revised improvement plan reflecting these contents and the status of corrective measures was submitted to the Tokyo Stock Exchange.

The Company will implement the improvement of the internal management system etc., and the reform of governance and organizational culture and continuously monitor the status of implementation. At the same time, executives and employees will work together to implement this revised improvement plan.

More details on the improvement plan are provided in “II Business Overview ” "1. Management Policies, Business Environment, and Challenges”.

#### (5) Major impacts of Restatement

*(Yen in millions, unless otherwise stated)*

|                                                                                | <b>For the fiscal year ended March 31, 2025</b><br>(From April 1, 2024 to March 31, 2025) |                   | Impact    |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------|-----------|
|                                                                                | Before Restatement                                                                        | After Restatement |           |
| Net sales                                                                      | 2,607,813                                                                                 | 2,606,347         | (1,466)   |
| Operating profit                                                               | 237,837                                                                                   | 128,222           | (109,615) |
| Profit before income taxes                                                     | 233,030                                                                                   | 124,576           | (108,454) |
| Profit attributable to owners of the parent                                    | 164,159                                                                                   | 84,672            | (79,478)  |
| Comprehensive income attributable to owners of the parent                      | 139,222                                                                                   | 63,001            | (76,221)  |
| Total equity attributable to owners of the parent                              | 1,716,947                                                                                 | 1,239,815         | (477,132) |
| Total assets                                                                   | 3,315,253                                                                                 | 2,919,765         | (395,488) |
| Earnings per share attributable to owners of the parent - basic (yen)          | 142.88                                                                                    | 73.69             | (69.19)   |
| Earnings per share attributable to owners of the parent - diluted (yen)        | -                                                                                         | 73.69             | 73,69     |
| Ratio of total equity attributable to owners of the parent to total assets (%) | 51.8                                                                                      | 42.5              | (9.3)     |
| Net cash provided by operating activities                                      | 284,428                                                                                   | 272,471           | (11,957)  |
| Net cash used in investing activities                                          | (147,255)                                                                                 | (135,628)         | 11,627    |
| Net cash used in financing activities                                          | (80,193)                                                                                  | (80,387)          | (194)     |
| Cash and cash equivalents at end of year                                       | 246,239                                                                                   | 246,254           | 15        |

(6) Major cumulative impacts on periods prior to the periods presented

The cumulative effect of correcting these improper accounting practices for periods prior to the beginning of the fiscal year ended March 31, 2025 (including 46 business terms, which was subject to the self-assessment) was reflected in the opening balance of retained earnings for the fiscal year ended March 31, 2025. Consequently, the opening balance of retained earnings for the fiscal year ended March 31, 2025 decreased by ¥356,433 million.

(Special Investigation Expenses)

Within the Group, it was discovered that improper accounting practices had been conducted until the second quarter of the fiscal year ended March 31, 2026. These instances of improper accounting practices and related issues incurred expenses, including expenses for investigations conducted by the Third-Party Committee and external experts such as independent outside attorneys and certified public accountants, expenses for correcting financial statements to ensure appropriate accounting treatment based on the investigation results, and additional audit fees for consolidated financial statements and other documents covering multiple accounting periods, including previous years. As a result, ¥30,522 million was recorded as selling, general and administrative expenses for the fiscal year ended March 31, 2026. However, the final recorded amount is expected to increase, as the improvement activities supported by external experts continue.

#### **44. Events after the reporting period**

(1) Amendment of Contract Terms in the Automotive Inverter Business

In September 2026, the Company entered into a memorandum of understanding with a customer to amend the terms of a contract attributable to the inverter business in the AMEC segment, including an agreement to shorten the supply period and reduce the number of units that the Company is obligated to supply. As a result of the contract modification, the provision for contract losses recognized in connection with the contract is expected to decrease in financial statements for periods ending after March 31, 2026. Meanwhile, the Company expects to recognize a provision in connection with claims from suppliers from which it procures raw materials. As of the filing date of the annual securities report, the Company is still assessing the financial impact of the decrease in and recognition of these provisions.

As the contract modification was agreed upon after the end of the current consolidated fiscal year, its impact has not been reflected in the consolidated financial statements for the current consolidated fiscal year.

(2) Commencement of Tariff Refund Claim Procedures in the U.S.

Following the U.S. Supreme Court decision ruling that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were invalid, certain U.S. subsidiaries of the Company have commenced procedures to claim refunds for such tariffs, amounting to approximately USD 70 million.

As these procedures are ongoing and the eligibility and amount of any refund are subject to review by U.S. Customs and Border Protection (CBP), the final refund amount and the timing of receipt remain undetermined.

#### **45. Authorization of consolidated financial statements**

NIDEC's consolidated financial statements were authorized for issue on September 30, 2026, by Masayuki Minai, Representative Director, Senior Vice President and Chief Compliance Officer and Chief Human Resources Officer, Mitsuo Kaida, President Chief Executive Officer and Chief Technology Officer and Kazuo Nakagawa, Vice President and Acting Chief Financial Officer.

## 2. Others

Half information, etc. from April 1, 2025 to March 31, 2026

*(Yen in millions, unless otherwise indicated)*

| (Accumulated period)                                                             | For the six months<br>ended September<br>30, 2025 | For the year ended<br>March 31, 2026 |
|----------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------|
|                                                                                  | (Restated)                                        |                                      |
| Net sales                                                                        | 1,304,898                                         | 2,708,705                            |
| Profit (loss) before income taxes                                                | 95,301                                            | (496,214)                            |
| Profit (loss) attributable to<br>owners of the parent                            | 29,395                                            | (564,624)                            |
| Earnings (loss) per share<br>attributable to owners of the<br>parent-basic (yen) | 25.64                                             | (492.55)                             |

(Notes) NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2026.

Condensed interim Consolidated financial statements for the year ended March 31, 2026 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

## VI. Share-related Administration of the Company.

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fiscal year                                      | April 1 - March 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Annual General Meeting of Shareholders           | During June                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Record date                                      | March 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Record dates for dividends of surplus            | September 30<br>March 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Number of shares in one trading unit             | 100 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Buyback in holdings of shares less than one unit |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Place of handling                                | Sumitomo Mitsui Trust Bank, Limited<br>Stock Transfer Agency Business Planning Dept.<br>5-33, Kitahama 4-chome, Chuo-ku, Osaka                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Administrator of shareholder registry            | Sumitomo Mitsui Trust Bank, Limited<br>4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Forwarding office                                | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Fees for buyback in holdings                     | Amount separately specified as an amount equivalent to fees for entrusting sale or purchase of shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Method of giving public notice                   | Nidec carries out its public notifications by means of electronic public notice<br><a href="https://www.nidec.com/en/">https://www.nidec.com/en/</a><br>However, in the event of an accident which makes electronic notice impossible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Shareholders privileges                          | <p>Shareholder Benefit Program</p> <p>1. Music box</p> <p>1) Eligible shareholders<br/>The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits<br/>&lt;Target: Shareholders with a shareholding period of 10 years or longer* and a share unit (100 shares) or more&gt;<br/>— Contents : Music box (by application or lot)<br/>— Benefit : A) An Orpheus music box (worth from 75,000 yen to 90,000yen)<br/>— Shareholders : 10 by lot<br/>&lt;Target: Shareholders with a shareholding period of 3 years or longer and a share unit (100 shares) or more&gt;<br/>— Contents : Music box (by application or lot)<br/>— Benefit : B) A music box (worth 5,000 yen)<br/>— Shareholders : 100 by lot</p> <p>*Those who own the Company's shares for 10 years or longer may choose either A) or B) above when applying.</p> |

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders privileges | <p>2. A leaflet which serves as an admission ticket to Suwanone Museum of where Nidec Instruments Corporation showcases their music box products.</p> <p>1) Eligible shareholders<br/>The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits<br/>Nidec offers a leaflet that can be used as an admission ticket or discount voucher for music box-related activities.</p> <ul style="list-style-type: none"> <li>• Nidec will also offer a 10% discount ticket that can be used for a purchase of merchandise over 5,000 yen.</li> <li>• A 10% discount coupon that can be used for purchases of 5,000 yen or more at the museum's online shop.</li> <li>• A 10% discount coupon for the Green Sun Hotel, located near the museum, and operated by a Nidec group company. When booking this hotel online, please select on-site cash payment, so we will offer the discounted rate.</li> </ul> <p>(Please have your leaflet with you when visiting Suwanone Museum.)</p> <ul style="list-style-type: none"> <li>• A 10% discount coupon that can be used for purchases of 5,000 yen or more at the Nidec Orgel Showroom.</li> </ul> <p>(Please have your leaflet with you when visiting Suwanone Museum.)</p> |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- (Notes) 1. The Articles of Incorporation provide that a holder of shares less than one unit does not have any rights other than rights under each item of Article 189, Paragraph 2 of the Companies Act or rights to be allotted rights to subscribe for free for new shares and share acquisition rights in proportion to the number of shares held by the shareholder.
2. We assume that a buyback of shares less than one unit is charged through an account administration authority, such as a brokerage firm and so on (in case of the special account, the above Sumitomo Mitsui Trust Bank, Limited).

## **VII. Reference Information on the Company**

### **1. Information on Parent Company, etc. of the Company**

The Company has no parent company pursuant to Article 24-7, Paragraph 1 of Financial Instruments and Exchange Act of Japan.

### **2. Other Reference Information**

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2026 to the filing date of the Annual Securities Report.

#### **1. Annual Securities Report and the attachments thereto, and Confirmation Letter**

|                                                                    |                                                                                         |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| (The 52nd business term)<br>(From April 1, 2024 to March 31, 2025) | Filed with the Director-General of the Kanto Local Finance Bureau on September 26, 2025 |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------|

#### **2. Internal Control Report**

Filed with the Director-General of the Kanto Local Finance Bureau on September 26, 2025

#### **3. Amend shelf registration statement**

Filed with the Director-General of the Kanto Local Finance Bureau on June 24, 2025

Filed with the Director-General of the Kanto Local Finance Bureau on June 30, 2025

Filed with the Director-General of the Kanto Local Finance Bureau on November 14, 2025

Filed with the Director-General of the Kanto Local Finance Bureau on December 22, 2025

#### **4. Semiannual securities report and Confirmation Letter**

|                                                                                      |                                                                                        |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| (Semiannual of the 53rd business term)<br>(From April 1, 2025 to September 30, 2025) | Filed with the Director-General of the Kanto Local Finance Bureau on November 14, 2025 |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|

#### **5. Extraordinary Report**

|                                                                                                                                                                                                            |                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc. | Filed with the Director-General of the Kanto Local Finance Bureau on June 24, 2025     |
| Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc. | Filed with the Director-General of the Kanto Local Finance Bureau on November 14, 2025 |
| Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc. | Filed with the Director-General of the Kanto Local Finance Bureau on December 22, 2025 |
| Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc. | Filed with the Director-General of the Kanto Local Finance Bureau on June 22, 2026     |

#### **6. Status Report of Acquisition of Treasury Shares**

|                                                |                                                                                       |
|------------------------------------------------|---------------------------------------------------------------------------------------|
| (From September 1, 2025 to September 30, 2025) | Filed with the Director-General of the Kanto Local Finance Bureau on October 6, 2025  |
| (From October 1, 2025 to October 31, 2025)     | Filed with the Director-General of the Kanto Local Finance Bureau on November 7, 2025 |

## **Part II Information on Guarantors, etc. for the Company**

Not applicable.

# TRANSLATION

Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

## **Independent Auditor's Report on Financial Statements and Internal Control Over Financial Reporting**

(filed under the Financial Instruments and Exchange Act of Japan)

September 30, 2026

To the Board of Directors of  
NIDEC CORPORATION:

PricewaterhouseCoopers Japan LLC  
Kyoto Office

Designated Limited Liability Partner, Engagement Partner,  
Certified Public Accountant: Yoshihisa Chiyoda

Designated Limited Liability Partner, Engagement Partner,  
Certified Public Accountant: Yuichiro Amano

Designated Limited Liability Partner, Engagement Partner,  
Certified Public Accountant: Toshio Soeno

Designated Limited Liability Partner, Engagement Partner,  
Certified Public Accountant: Makoto Shimizuike

## THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Disclaimer of Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the consolidated financial statements of NIDEC CORPORATION (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group") included in the "Financial Information" section, which comprise the consolidated statement of financial position, consolidated statements of income and comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements for the consolidated fiscal year from April 1, 2025 to March 31, 2026.

Given the significance of the potential effects of the matters described in the "Basis for Disclaimer of Opinion" on the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. Accordingly, we do not express an audit opinion on these consolidated financial statements.

### Basis for Disclaimer of Opinion

#### Corporate Governance

As described in the Notes to the Consolidated Financial Statements, "Status of the Company's Remediation Measures Relating to Corporate Governance" and Note 43, Additional Information, "Improper Accounting Practices and Other Related Matters," section "(1) Investigations by the Third-Party Committee," the Company established a Third-Party Committee on September 3, 2025, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17, 2026. The investigation reports describe numerous instances of improper accounting practices carried out at various operating bases within the Company and its group companies with the involvement or knowledge of management, including premature revenue recognition, understatement of provisions, overstatement of inventories, avoidance of impairment losses on fixed assets, and capitalization of expenses. The reports further identified instances in which management or accounting personnel of the Company and its group companies provided inaccurate or misleading information to the independent auditor, concealed relevant documents, or provided altered records in order to obtain the independent auditor's concurrence. The improper accounting practices identified by the Third-Party Committee have been corrected in the consolidated financial statements.

In addition, as described in section "(2) Internal Investigation regarding Potential Quality Issues," the Company completed an investigation regarding potential quality issues and identified falsification of testing and inspection records and unauthorized use of non-conforming materials at multiple production bases. Furthermore, as described in section "(3) Other Internal Investigation," the

Company completed its investigation into matters relating to trade transactions and tariffs and identified underpaid tariffs associated with import transactions amounting to USD 94.1 million (approximately ¥14,160 million), including interest. Related costs, liabilities and disclosures have been reflected in the consolidated financial statements.

However, as described in the Notes to the Consolidated Financial Statements, “Status of the Company’s Remediation Measures Relating to Corporate Governance,” the Company has identified certain officers and employees of the Company and its group companies who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, and is evaluating and taking remedial personnel actions to determine appropriate measures; however, some of those actions have not been completed. As a result, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies.

The matters identified in the Third-Party Committee’s reports indicate that material weaknesses existed in the control environment over an extended period and raise substantial concerns regarding whether the Company’s governance and control environment relating to financial reporting is operating effectively, including whether the risk of management override of controls has been sufficiently mitigated. This condition also affects the reliability of records, documents and information submitted to the independent auditor by, or prepared, responded to, or reviewed by, individuals involved in the improper accounting practices, as well as the reliability of management representations provided to the independent auditor.

During the course of our audit, we concluded that information obtained from officers and employees involved in these improper accounting practices had a significant effect on the reliability of management representations as audit evidence and on the persuasiveness of the audit evidence as a whole. Because some remedial personnel actions had not been completed as of the date the consolidated financial statements were prepared and individuals involved in the improper accounting practices continue to participate in the financial reporting process, we were unable to obtain sufficient appropriate audit evidence as to whether the improper accounting practices corrected or determined by the Company to require correction were complete, or whether undetected misstatements arising from the risk of management override existed as a result of those individuals’ involvement in the financial reporting process and, if so, the nature, extent and effects thereof.

Accordingly, as described in the Notes to the Consolidated Financial Statements, “Status of the Company’s Remediation Measures Relating to Corporate Governance,” although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for individuals involved in the improper accounting practices, some of those remedial personnel actions have not been completed, and it has not been sufficiently demonstrated that successor personnel have assumed responsibility for financial reporting and are appropriately performing their responsibilities. We therefore concluded that the possible effects of any undetected misstatements on the consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

#### Impairment

As described in Note 16, “Impairment of Non-Financial Assets,” the Company groups assets based on the smallest identifiable group of assets that generates cash inflows that are largely independent (a cash-generating unit). Goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, and impairment losses are measured based on estimated future cash flows and other assumptions. As a result, the Company recognized impairment losses of ¥632,221 million during the current fiscal year. However, as of the date of this report, we have not obtained sufficient appropriate audit evidence regarding the reasonableness of the accounting estimates relating to the amount and period allocation of impairment losses for certain cash-generating units or groups of cash-generating units.

IAS 36, Impairment of Assets, requires future cash flow projections to be based on reasonable and supportable assumptions. However, as described under “Corporate Governance,” information obtained from individuals who may have been involved in the improper accounting practices has a significant effect on the persuasiveness of audit evidence relating to impairment of assets submitted to us and on the reliability of management representations.

In addition, the Company has restated the comparative information because the opening balances of non-financial assets of certain cash-generating units or groups of cash-generating units had been overstated in light of the improper accounting practices. Under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, a prior-period restatement must be based on information that was available when the original consolidated financial statements were authorized for issue, without using facts or outcomes identified subsequently. Specifically, revised cash flow projections and significant assumptions included in the underlying business plans are required to reflect information available at the relevant dates and not information or assumptions developed subsequently. Because we did not obtain sufficient necessary explanations from the Company as to whether prior-period corrections were based on information available at the relevant dates without using hindsight, we were unable to obtain sufficient appropriate audit evidence supporting that the restatement had been measured based on information available at those dates.

Accordingly, we were unable to determine whether the impairment losses recognized by the Company complied with the requirements of IAS 36 and IAS 8.

#### Comparative Information

The Company received the investigation reports from the Third-Party Committee, considered the improper accounting practices based on those reports, completed its own investigation and the investigation relating to trade transactions and tariffs, and restated the comparative information based on the results. However, for the reasons described under “Corporate Governance” and “Impairment,” because individuals involved in the improper accounting practices continue to hold positions of responsibility within the financial reporting process of the Company and its group companies, we were unable to determine the appropriateness and completeness of the restated amounts and disclosures included in the consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025, which are presented as comparative information.

We were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. In addition, we concluded that the possible effects on the consolidated financial statements of potentially required additional adjustments described under “Corporate Governance,” the amount and period allocation of impairment losses described under “Impairment,” and the disclosures relating to comparative information described under “Comparative Information” could be material and pervasive. If undetected misstatements exist, their possible effects would not be confined to specific line items or disclosures and could be material and pervasive to the consolidated financial statements as a whole. Accordingly, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

#### Other Matter

As a result of the investigations conducted by the Third-Party Committee and other investigations, the Company has adjusted opening retained earnings in the comparative information. However, the Company has not corrected the consolidated financial statements included in the Annual Securities Reports for fiscal years up to and including the consolidated fiscal year from April 1, 2024 to March 31, 2025.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on a going concern basis and for disclosing, when required under IFRS Accounting Standards, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the directors’ execution of their duties in designing and operating the financial reporting process.

#### Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to conduct an audit in accordance with auditing standards generally accepted in Japan and to express an opinion on the consolidated financial statements in our independent auditor’s report. However, as described in the “Basis for Disclaimer of Opinion” section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements in Japan, including provisions applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### THE AUDIT OF THE INTERNAL CONTROL REPORT

##### Disclaimer of Opinion

Pursuant to Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the Internal Control Report of NIDEC CORPORATION as of March 31, 2026.

Given the significance of the possible effects on the Internal Control Report of the matters described in the “Basis for Disclaimer of Opinion” section, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Internal Control Report, in which the Company states that it is unable to express the results of its assessment of internal control over financial reporting as of March 31, 2026.

##### Basis for Disclaimer of Opinion

As described in the Internal Control Report, although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for officers and employees involved in the improper accounting practices at the Company and its group companies, some of those actions have not been completed. Consequently, the Company was unable to evaluate the effects on entity-level controls of the Company and its group companies and determined that it was unable to express the results of its assessment of internal control over financial reporting as of March 31, 2026.

As a result, because we were unable to perform significant audit procedures, we were unable to obtain a basis for expressing an opinion on the Internal Control Report, in which the Company states that it is unable to express the results of its assessment of internal control over financial reporting as of March 31, 2026.

#### Emphasis of Matter

As described in the Internal Control Report, material weaknesses exist in entity-level controls of the Company and its consolidated subsidiaries, controls relating to financial closing and reporting processes that should be evaluated from an entity-wide perspective, and business-process controls. As described under “Corporate Governance” in the “Basis for Disclaimer of Opinion” section relating to the audit of the consolidated financial statements, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to us, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies. We were unable to obtain sufficient appropriate audit evidence as to whether the improper accounting practices corrected or determined by the Company to require correction were complete, or whether undetected misstatements arising from the risk of management override existed as a result of those individuals’ involvement in the financial reporting process and, if so, the nature, extent and effects thereof. Consequently, we concluded that the possible effects of any undetected misstatements would not be confined to specific line items or disclosures and could be material and pervasive, and we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

#### Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for designing and operating internal control over financial reporting and for the preparation and fair presentation of the Internal Control Report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

#### Auditor’s Responsibilities for the Audit of the Internal Control Report

Our responsibility is to conduct an audit of internal control over financial reporting in accordance with auditing standards for internal control over financial reporting generally accepted in Japan and to express an opinion on the Internal Control Report from an independent standpoint in our independent auditor’s report on internal control over financial reporting. However, because of the matters described in the “Basis for Disclaimer of Opinion” section, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Internal Control Report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements in Japan, including provisions applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### FEE-RELATED INFORMATION

The amounts of fees for audit and attestation services and non-audit services charged to the Company and its subsidiaries by our firm and entities belonging to the same network as our firm are disclosed in “(3) Status of Audit” under “Corporate Governance” included in the “Information on the Company” section.

#### Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its engagement partners do not have any interest in the Company or its consolidated subsidiaries that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

Notes: 1. The original of the auditor’s report above is kept separately by the Company, which is the filing company of the Annual Securities Report.

2. XBRL data is not included in the scope of the audit.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.