

# Nidec Corporation

## Our Company's Response to the Third-Party Committee's Investigation Report



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### Disclaimer Regarding Forward-looking Descriptions and Statements

- In preparing this presentation and in responding during the subsequent Q&A session, Nidec has not independently verified the factual findings in the investigation report issued by the Third-Party Committee.
- This presentation and the responses provided during the subsequent Q&A session contain forward-looking statements, including forecasts, expectations, judgments, plans, and strategies. Such forward-looking statements involve risks and uncertainties, including but not limited to fluctuations in foreign exchange rates, changes in demand for our products, development and production capacity for various motors, the performance of affiliated companies, and other risk factors and uncertainties.
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# Receipt of the Third-Party Committee's Investigation Report

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## ■ Disclosure of the Third-Party Committee's Investigation Report



1. Disclosure of the Third-Party Committee's Investigation Report
  - February 27, 2026: Received the Investigation Report from the Third-Party Committee.
  - We have completed our review of partial non-disclosure measures (such as masking) to protect the trade secrets and personal information of our Group and its business partners.
  - March 3, 2026: We disclose the Investigation Report today.
  
2. Status of Ongoing and Future Investigations
  - The investigation by the Third-Party Committee is currently ongoing.
  - We will continue to cooperate fully with the investigation and will promptly disclose the final investigation report upon receipt.

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# The Third-Party Committee's Investigation Report

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## ■ Financial Impact of the Investigation into Accounting Misconduct within the Nidec Group



1. Although the investigation is still ongoing, numerous instances of accounting misconduct have been identified across a wide range of locations within the Group.
2. The discovered misconduct is diverse and includes the avoidance of expense recognition and the overstatement of revenues.

### Major Accounting Areas

Inventories	Avoidance of recognizing valuation losses on obsolete raw materials and finished goods (deferral of expense recognition)
Fixed Assets	Avoidance of impairment losses based on sales plans with low probability of achievement
Capitalization of Expenses	Improper capitalization of personnel costs that should have been expensed, delaying expense recognition through depreciation
Provisions	Improper reversal of provisions for the refund of subsidies recorded by subsidiaries during the consolidation process
Revenue Recognition	Fictitious recognition of subsidies as revenue that do not qualify for revenue recognition
Accounts Receivable	Understatement of allowance for doubtful accounts for bad debts (improper accounting treatment)

3. The impact on the consolidated net assets as of the end of the first quarter of fiscal year 2025, resulting from the correction of misconduct and errors identified to date, is

**Approximately Negative JPY 139.7 billion.**

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# Personnel Actions in Response to the Investigation Report, etc.

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## ■ Regarding Actions to Be Taken Concerning Officers, etc.



Our Responses to Managerial Responsibilities We determined are as follows;

<b>Resignation</b>	Chairman	Hiroshi Kobe	
<b>Resignation</b>	Executive Vice President	Yoshihisa Kitao	Executive General Manager of SPMS BU and in charge of managing the Group Companies Performance Management Dept
<b>Resignation</b>	Senior Vice President	Akinobu Samura	Chief Financial Officer
<b>Resignation</b>	Executive Consultant	Tatsuya Nishimoto	Executive General Manager of the Machinery and Automation BU
<b>Suspension from duty</b>	First Senior Vice President	Valter Taranzano	Executive General Manager of the Appliance and Automotive Division
<b>Position Abolition</b>	Chief Performance Officer		

Compensation will be reduced as follows beginning in March 2026;

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

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## ■ Future Management Structure

### **Personnel Changes and Launch of the New Structure**

- Taking the Third-Party Committee's investigation report and the resignations of directors/officers very seriously, we will transition to a renewed personnel structure in March and April.
- We will broadly appoint talented and promising personnel from our domestic and overseas group companies to build a more transparent management foundation.

### **Promoting Diversity for a "Renewed Nidec"**

- By ensuring organizational diversity, we will move away from our previous rigid structure.
- The entire company will work as one to focus on restoring the trust of our stakeholders.

### **Fundamental Review of the Governance System**

- We will review the composition of the Board by inviting individuals with corporate management experience and accounting expertise.
- We will build a management oversight structure that combines professional expertise with diverse perspectives.

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## ■ Intended Establishment of the Responsibility Investigation Committee

### **Investigation and Examination of Legal Responsibility of Officers, etc.**

- Prompt establishment of the "Responsibility Investigation Committee"
  - In light of the facts clarified in the Third-Party Committee's Investigation Report, the Company will promptly establish an objective and professional Responsibility Investigation Committee.

### **Scope and Content of the Investigation**

- Target: Current and former Directors and Executive Officers.
- Content: Investigating whether they bear any legal responsibility, including whether they breached their duties in the execution of their responsibilities.

### **Ensuring Transparency**

- The timing of the committee's establishment and its overview will be promptly disclosed once determined.

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# Measures to Prevent Recurrence

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## ■ Implementation of the Improvement Plan for Strengthening of Corporate Governance



### **Initiatives Led by the "Nidec Corporate Reform Committee"**

- Based on the improvement plan and status reports, specific improvement measures are currently being reviewed and implemented.

### **Steadfast Implementation of the Improvement Plan**

- We are promoting highly effective measures to prevent recurrence by making timely revisions to the improvement plan.

### **Restoring Market Trust**

- We will complete the establishment of our internal control system and submit the "Written Confirmation of Internal Management System" to the Tokyo Stock Exchange.

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# Upcoming Schedule

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## ■ Announcement Regarding Dividend of Surplus (No Year-End Dividend)



### Reason for NO Year-End Dividend :

Based on the findings of the investigation to date, a material impact on the Company's financial results for prior fiscal years is expected. In addition, given that the investigation remains ongoing, the Company has determined that it has no choice but to forgo the year-end dividend for the fiscal year ending March 2026.

	Amount Resolved	Latest Dividend Forecast (Announced on October 23, 2025)	Previous Fiscal Year Results (Fiscal Year Ended Mar. 31, 2025)
Record Date	<b>March 31, 2026</b>	Same as left	March 31, 2025
Dividend per Share (Yen)	<b>0.00</b>	undetermined	20.00
Total Dividend Amount	-	-	22,960 million yen
Effective Date	-	-	June 2, 2025
Source of Dividend	-	-	Retained Earnings

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### Impairment Losses

There is a possibility that additional impairment losses may need to be recognized as derivative impacts of downward revisions to past fiscal years' profits and losses based on the findings of the Third-Party Committee.

- Scope: Primarily goodwill and fixed assets related to the automotive business.
- Asset scale subject to impairment review: Approximately JPY 250 billion.
- Amount and timing of recognition: To be determined.

Following the completion of the Third-Party Committee's investigation, we will promptly proceed with the filing of amended securities reports for past fiscal years.

**Under any circumstances, we will continue to do business with our customers and suppliers wholeheartedly without delay.**

### Business overview

- Order status: Orders remain strong and there have been no major changes to the production plan.
- Operational status: The production bases are operating normally and have maintained supply capacity.
- Cash flow: There are no concerns about the availability of borrowing facilities and cash on hand, and there is no hindrance to business operations.

#### 【Net Sales】

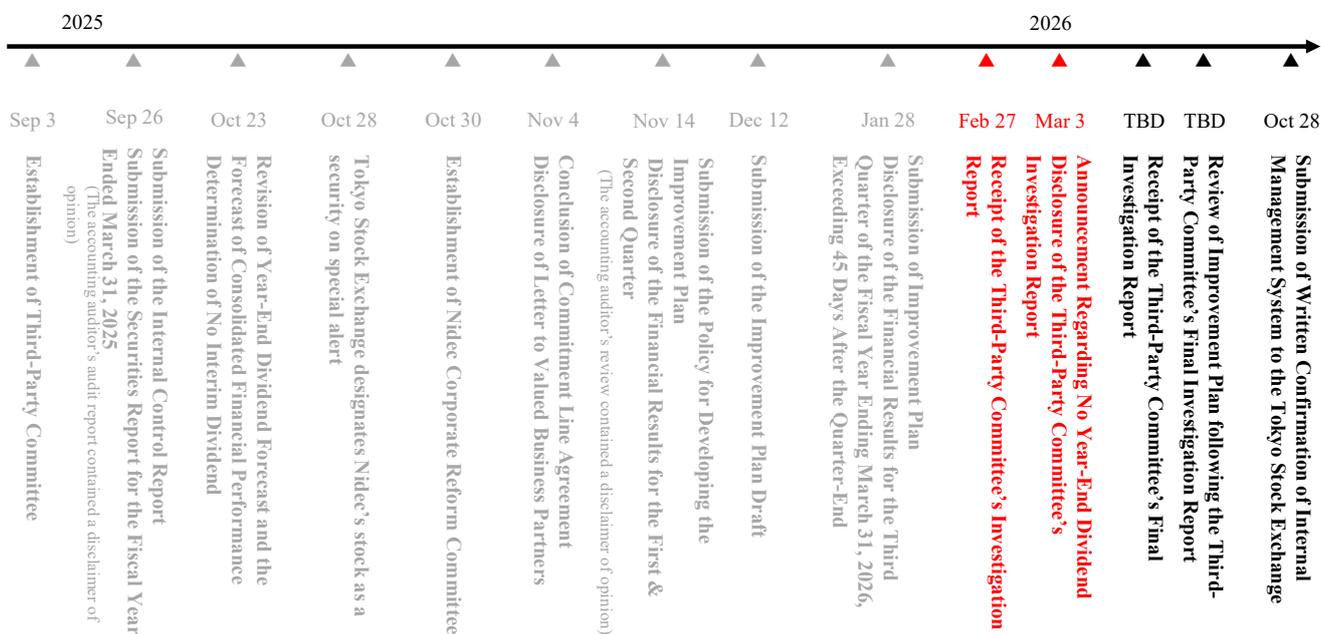
(Unit: JPY 100 million)	Current Q1	Current Q2	Current Q3	Cumulative Total
FY2024	6,482	6,456	6,522	19,460
FY2025	6,380	6,643	6,777	19,800
Change (%)	(1.5%)	2.9%	3.9%	1.7%

#### 【Cash and Cash Equivalents and Interest-Bearing Debt】

	End of Previous Q4	End of Current Q1	End of Current Q2	End of Current Q3
Cash and Cash Equivalents	2,462	2,406	3,445	8,900
Interest-Bearing Debt	6,360	6,602	7,120	12,000
Net Interest-Bearing Debt	3,898	4,196	3,676	3,100

※ As the investigation by the Third-Party Committee and other internal investigations are ongoing, their impact has not yet been reflected in the consolidated financial statements. (The impact will be reflected promptly upon receipt of the investigation results.)

## ■ Key Milestones



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# Q&A

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