



FOR IMMEDIATE RELEASE

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Notice Regarding Disclosure of the Revised Improvement Plan and the Status Report

As announced in the “Notice Regarding Disclosure of the Improvement Plan and the Status Report” dated January 28, 2026, 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. in preparation for the lifting of the special-alert designation previously assigned to the Company’s stock by the Tokyo Stock Exchange, Inc. (hereinafter the “Tokyo Stock Exchange”). The improvement plan was submitted 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 (hereinafter collectively referred to as “third-party committee’s investigation report”) and, based on the third-party committee’s investigation report and other internal investigation results, we have re-examined and reviewed the improvement plan. We hereby inform you that we have prepared a revised improvement plan that reflects these contents and the status of corrective measures taken up to today and have submitted it to Tokyo Stock Exchange. Moreover, major revisions to the improvement plan dated January 28, 2026 are summarized in the appendix.

The Company will implement the improvement of internal management system development and the reform of governance and organizational culture and continuously monitor the status of implementation. Our executives and employees will work together to implement this revised

improvement plan. We will continue to share important updates as they occur, and we appreciate your continued support.

Revised Improvement Plan and Status Report

Nidec Corporation

April 27, 2026

This document is an English translation of the Revised Improvement Plan and Status Report dated April 27, 2026. The Revised Improvement Plan and Status Report in Japanese is the original and this English translation shall be used solely for informational purposes. The information contained herein may change without prior notice. The Company does not undertake any obligation to provide the recipient with access to any additional information, to update this document with any additional information, or to correct any inaccuracies in any such information which may become apparent. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail. The Company makes no assurances or warranties with respect to the completeness and accuracy of this English translation and assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising out of the translation.

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Part 1 Summary of correction of past fiscal years' accounts

As disclosed in the press release dated September 3, 2025, "Notice Regarding Establishment of Third-Party Committee," suspected improper accounting practices involving or recognized by certain management members of the Company or one of its group companies were found, 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 (hereinafter referred to as "this Issue"). Thus, the Company determined that it would need to launch an objective investigation by an independent third-party committee, and established such a committee in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations.

We commissioned to the third-party committee: fact-finding investigations into this Issue; calculation of the amount of impact if improper accounting is found; root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; and other matters deemed necessary by the third-party committee. In addition, the Company has conducted separate internal investigations of trade transaction issues and customs duties and withholding income tax issues.

The amounts of the impacts on the consolidated financial statements identified through the third-party committee's investigation report and the results of the internal investigations are as follows. At this time, the Company is in the process of confirming the amount of impact on the consolidated financial statements and financial statements of previous fiscal years based on the results of the third-party committee's investigation report and the other internal investigation results. Therefore, the amount of impact on the past fiscal years' accounts has not been determined. However, as soon as it is determined, the Company will disclose the details appropriately.

1 Impact on Consolidated Financial Statements Identified in the Third-Party Committee's Investigation Report

As stated in the third-party committee's investigation report, the impact on the consolidated financial statements for each fiscal year, broken down by issue and by segment, is as follows.

(1) Impact by Issue

The amounts of the impact on profit for the period of the consolidated financial statements for each fiscal year, by issue, are summarized as follows. The cumulative impact on profit for the period for each fiscal year (total) represents the amount of impact on net assets in the consolidated financial statements as of the end of the first quarter of fiscal year 2025.

(Unit: JPY 100 million)

	Impact on Profit or Loss for the Period							Cumulative Impact (Total) as of end of FY2025 Q1
	2019 and prior	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Q1*	
(1) Inventories								
Avoidance of recognition of valuation loss	▲55	▲22	▲4	▲98	▲99	29	▲28	▲277
Overstatement of inventories	▲29	▲15	▲24	12	▲4	14	▲22	▲68
Others	▲21	8	6	5	▲12	1	▲7	▲20
(2) Fixed assets								
Avoidance of impairment losses	▲130	▲60	▲2	▲45	▲155	▲402	231	▲563
Capitalization of expenses	▲20	▲18	▲13	▲32	▲59	▲54	▲15	▲211
Others	▲8	1	▲14	▲17	37	▲12	▲5	▲18
(3) Provisions and liabilities								
Understatement of provisions and liabilities	▲53	0	2	▲22	▲15	▲473	347	▲214
Others	▲12	▲1	1	▲4	0	▲7	▲4	▲27
(4) Trade receivables								
Overstatement of trade receivables (recognition of fictitious sales / premature revenue recognition)	▲24	▲10	▲56	▲10	▲8	2	▲2	▲108
Understatement of allowance for doubtful accounts	▲8	3	▲2	0	▲3	▲22	▲3	▲35
Others	▲14	▲19	▲6	31	▲9	▲4	▲5	▲26
(5) Others								
Others	▲13	2	▲23	16	19	▲27	▲14	▲40
Total	▲387	▲131	▲135	▲164	▲308	▲955	473	▲1,607

※Q1: the first quarter

(2) Impact by Segment

The impact by segment on net sales, operating profit, and profit for the period in the consolidated financial statements for each fiscal year is summarized as follows. The cumulative impact on profit for

the period for each fiscal year (total) represents the impact on net assets in the consolidated financial statements as of the end of the first quarter of fiscal year 2025.

(Unit: JPY 100 million)

	Impact on Profit or Loss for the Period							Cumulative Impact (Total) as of end of FY2025 Q1
	2019 and prior	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Q1*	
1. Small Platform Motor & Solutions Business Unit (SPMS)								
Net sales	▲8	0	▲4	7	▲2	1	0	▲6
Operating profit	▲13	▲15	▲37	9	15	24	▲5	▲22
Profit for the period	▲12	▲13	▲30	10	14	22	▲5	▲14
2. Automotive Motor & Electronic Control Business Unit (AMEC)								
Net sales	▲34	2	▲8	0	▲2	▲2	0	▲44
Operating profit	▲107	▲15	▲30	▲149	▲244	▲769	561	▲753
Profit for the period	▲97	▲14	▲22	▲137	▲253	▲760	560	▲723
3. Motion & Energy Business Unit (MOEN)								
Net sales	0	0	0	0	▲4	▲3	▲8	▲15
Operating profit	▲3	▲2	▲8	▲4	0	▲44	▲13	▲74
Profit for the period	▲4	▲2	▲12	▲1	▲1	▲29	▲32	▲81
4. Appliance, Commercial & Industrial Motor Business Unit (ACIM)								
Net sales	0	0	▲30	2	▲1	2	▲2	▲29
Operating profit	▲13	▲11	▲42	▲23	▲18	▲37	▲2	▲146
Profit for the period	▲13	▲11	▲42	▲25	▲16	▲40	12	▲135
5. Machinery & Automation Business Unit								
Net sales	▲33	▲38	▲4	84	▲11	▲17	4	▲15
Operating profit	▲30	▲63	▲14	37	27	▲84	▲41	▲168
Profit for the period	▲26	▲58	▲12	27	42	▲102	▲42	▲171
6. Group								

(Unit: JPY 100 million)

	Impact on Profit or Loss for the Period							Cumulative Impact (Total) as of end of FY2025 Q1
	2019 and prior	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Q1*	
Companies Business								
Net sales	▲89	▲31	▲49	▲56	▲7	13	▲3	▲222
Operating profit	▲235	▲34	▲2	▲61	▲99	▲50	▲21	▲502
Profit for the period	▲233	▲33	▲17	▲38	▲94	▲48	▲20	▲483
7. Others								
Net sales	-	-	-	-	-	-	-	-
Operating profit	-	-	-	-	1	0	0	1
Profit for the period	-	-	-	-	0	0	0	0
Total								
Net sales	▲164	▲67	▲95	37	▲27	▲6	▲9	▲331
Operating profit	▲401	▲140	▲133	▲191	▲318	▲960	479	▲1,664
Profit for the period	▲385	▲131	▲135	▲164	▲308	▲957	473	▲1,607

※Q1: the first quarter

2 Impact on Consolidated Financial Statements Identified through Internal Investigation Results

(1) Impact of Additional Tariffs

As described in Part 2.1(1) below, with respect to the FIR Issue, we have paid unpaid customs duties and expects to pay additional tariffs in connection with similar issues. The impact on the consolidated financial statements is as follows. In addition, with respect to payments of additional tariffs by Group companies other than FIR, in addition to the amounts shown below, interest totaling JPY 2.1 billion is expected to be paid. The impact by fiscal year is currently under review.

(Unit: JPY 100 million)

	Impact on Profit or Loss for the Period						Cumulative Impact (Total)
	FY2020 and prior	FY2021	FY2022	FY2023	FY2024	FY2025	
FIR (including interest)	1	2	4	2	1	0	10
Non-FIR entities	-	9	18	16	22	25	90

(2) Impact of Other Internal Investigations

With respect to the impact of other internal investigations, the results of such investigations, together with their impact on the consolidated financial statements, are described in Part 2.1(2) below.

Part 2 Background

1 How the problem came to light

(1) Discovery of the FIR Issue

As disclosed in the press release “Change in the scheduled submission date for the securities report” dated June 18, 2025, the Company recognized a trade-related issue with NIDEC FIR INTERNATIONAL S.R.L. (located in Italy, hereinafter referred to as “FIR”), one of the Company’s consolidated subsidiaries, under the control of its Appliance and Automotive Division’s Appliance, Commercial & Industrial Motors Business Unit, and requested an outside expert with knowledge of international trade law and customs law to conduct an investigation. Based on the status report of the investigation received, further internal investigations and reviews were carried out with external experts. After that, as disclosed in the “Notice concerning board of directors’ resolution of application for approval of deadline extension for submission of securities report for 52nd fiscal year” dated June 26, 2025, the Company decided to apply for an extension of the deadline for submission of the Annual Securities Report for the 52nd fiscal year in order to conduct further internal investigation and review of the FIR trade transaction issues and customs issues (referred to as the “FIR Issue”), and received approval on June 27, 2025 with the extended deadline of September 26, 2025.

Between April 2018 and September 2023, FIR shipped to the United States oven motors manufactured at FIR’s Italian plant using Chinese components, and FIR itself was the importer of record for such motors in the United States. According to the customs laws and regulations of the United States, because of the component bill of materials for such motors, the origin of the motors should have been declared as China, not Italy. However, FIR designated the origin of the motors as Italy (hereinafter referred to as the “Country of Origin Violation”). As a result, FIR did not pay the required additional United States customs duties to be paid for the import of oven motors designated as originating in China.

The Country of Origin Violation was identified by the person in charge of trade compliance of the Appliance, Commercial & Industrial Motors Business Unit (hereinafter referred to as “ACIM”) to which FIR belongs, between February and June 2022 and reported to Trade Compliance Department of NIDEC AMERICAS HOLDING CORPORATION (hereinafter referred to as

“NAHC”), the regional headquarters for Nidec in the Americas. After that, NAHC urged correction of the Country of Origin Violation, but ACIM did not undertake sufficient corrective measures. As a result, shipments continued the Country of Origin Violation until September 2023.

In addition, the above situation was reported by NAHC to some Vice Presidents and others of the Company in August 2023, but those individuals believed that it would be resolved between NAHC and ACIM, so the reporting of the Country of Origin Violation within the Company was delayed.

In September 2023, FIR suspended the production and shipment of the oven motors and changed the supplier of the main parts and the manufacturing process in December 2023 so that the country of origin for those motors would be properly designated as Italy. Around the same time, NAHC commissioned an outside expert to investigate the reason and background of the Country of Origin Violation (hereinafter referred to as the “External Prior Investigation”). In the External Prior Investigation, it took time to obtain clearance under the General Data Protection Regulation (EU) and conduct a forensic investigation. Therefore, NAHC submitted its report (hereinafter referred to as the “Preliminary Investigation Report”) to the Company on March 6, 2025.

Based on the Preliminary Investigation Report, the Company notified its accounting auditor of the Country of Origin Violation on March 31, 2025.

In addition, the Company decided that the Company would conduct an internal investigation (hereinafter “Internal Investigation”) into the matters pointed out in the Preliminary Investigation Report but whose details were unclear and established an internal investigation committee (hereinafter “Internal Investigation Committee”) on April 14, 2025. While investigating the matters under the Internal Investigation Committee, the Company decided to commission an external expert to investigate (hereinafter “External Investigation”) whether there were any erroneous declarations of country of origin of products manufactured by FIR beyond the oven motors that were the subject of the External Prior Investigation, among the other matters subject to investigation in the Internal Investigation. The Company received an investigation report on the External Investigation (hereinafter “External Investigation Report”) on June 11, 2025.

The External Investigation Report pointed out that although the method of manufacturing implemented after December 2023 for determining the country of origin (made in Italy) of FIR’s oven motors was appropriate under criteria for determining the country of origin in the U.S., the country of origin of motors other than oven motors manufactured by FIR was likely be determined to be China. In response, the Company instructed FIR in June 2025 to stop shipping and importing the products to the U.S. except when the country of origin of the products was declared as China, and to disclose to U.S. customs authorities all erroneous country of origin declarations. FIR filed a voluntary declaration with the U.S. Customs Service for the unpaid additional tariffs and paid

approximately \$6.8 million in unpaid tariffs from the prior five years. On December 2, 2025, FIR received notification from the U.S. Customs Service that the review of the voluntary declaration had been closed.

We commissioned outside 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. Based on the internal investigations conducted with the support of outside experts, these errors occurred as a result of the relevant parties' insufficient trade know-how and compliance awareness, as well as insufficient business standardization and systems. For this reason, we have tentatively determined that there is a high possibility that this incident was not intentional and that these are likely to be errors. Although some supplementary investigations are still ongoing, most of the investigations have been completed, and we are also considering improvement measures that should be conducted in the future. In particular, we will develop guidelines for country of origin determination, tariff classifications, and free trade agreements, review business processes related to import and export transactions, and implement trade compliance learning programs for employees.

In addition, the additional tariff amount due to the declaration error is expected to be 69.7 million dollars (about 11.14 billion yen) including interest. This amount will be appropriately reflected in financial figures as a separate matter from the correction of past fiscal years' accounts based on the results of the third-party committee investigation, and we will proceed with the voluntary declaration process.

(2) Discovery of other issues

<Techno Issue>

Nidec Techno Motor Corporation (hereinafter "Techno"), a subsidiary of the Company, notified the Company's Audit and Supervisory Committee on July 22, 2025 of suspected improper accounting in late September 2024 by Nidec Techno Motor (Zhejiang) Co., Ltd., the Company's Chinese subsidiary, in connection with a lump-sum payment (worth 10 million yuan, or

approximately 200 million yen) representing a discount for a purchase from a supplier (hereinafter the “Techno Issue”).

In response to this, the Company engaged outside attorneys, certified public accountants, and other external experts to conduct internal investigations under the supervision of the Company’s Audit and Supervisory Committee, including digital forensic procedures, in order to clarify the Techno Issue. These investigations found multiple documents suggesting that, in addition to Techno, the Company and its group companies could have engaged in improper accounting with the involvement or knowledge of its or their certain management members and that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value.

Given the situation, the Company recognized limitations in the Company’s previous internal investigation system engaging external experts, as well as the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations, as described in (3) below.

<Elesys Issue>

In addition, the investigation including the aforementioned digital forensic procedures found that Nidec Elesys Corporation (currently the Traction Business Division of Nidec Corporation’s Automotive Motor & Electronic Control Business Unit) allegedly declared to customs, without just cause, a lower-than-proper price for the gratuitous transactions of its used products when exporting them to China in past fiscal years (hereinafter the “Elesys Issue”).

Regarding the Elesys Issue, the internal investigations results confirmed that there was a high possibility that the customs declared value for some test materials exported to China was set without reasonable grounds. In addition, there were cases in which the customs declared value was arbitrarily adjusted.

These issues were mainly due to a lack of understanding of customs clearance practices in the department in charge and inadequacies in the calculation process for customs declared value. In addition, the management system for import and export businesses was not sufficiently developed, and there were no divisions with specialized knowledge or advisory resource for trade compliance other than security export control. Furthermore, there were no clear manuals or guidelines for the calculation of customs declared value. These factors also made it difficult to make appropriate judgments and responses. To address these problems, we will take corrective measures such as providing learning opportunities on customs procedures to improve employee knowledge,

standardizing the customs declared value calculation process, formulating clear rules, and establishing a system to monitor whether those measures are implemented and operated appropriately. In addition, we will conduct appropriate disciplinary actions as necessary.

Regarding the whistle-blowing reports that triggered the discovery of the Elesys issue, it was also recognized that opportunities for early correction had been lost due to deficiencies in the whistle-blowing system, such as insufficient hearings with whistle-blowers and the lack of an independent and neutral investigation. Therefore, the whistle-blowing system will be improved as described in Part 3, II. (15) below.

Based on the results of the investigation, we plan to file a voluntary declaration with the relevant authorities and expect to pay an additional tariff of approximately 11 million yen. Considering the amount of impact, the impact on our consolidated operating results is expected to be limited.

<Swiss Consolidated Subsidiary Issue>

Furthermore, the investigation of the FIR Issue revealed that the Company's consolidated subsidiary in Switzerland may not have taken appropriate measures for conducting export transactions without the necessary registration (hereinafter the "Swiss Consolidated Subsidiary Issue"). Consequently, additional investigations were made by outside experts as part of the internal investigations.

As a result of the internal investigations, it was confirmed that in the Swiss Consolidated Subsidiary Issue, some products (with a transaction value of up to approximately 23,600 euros (approximately 4.3 million yen)) were exported without obtaining the necessary export license. There was no evidence that these violations were intentional, as they were mainly due to a lack of awareness of export licensing systems and poor implementation of the trade compliance system. As an improvement measure, we will hold a learning program for employees regarding the significance of trade compliance regulations and the handling of dual-use cargo, as well as take measures to reduce operational risks by standardizing and documenting export management-related work.

Although our consolidated subsidiary in Switzerland had completed a voluntary declaration to the Swiss authorities, it was found that some additional measures were necessary, and we will take appropriate measures. Although there is a risk of being ordered to pay fines, etc. in the future, the impact on our consolidated operating results will be limited given that the transaction amount is up to approximately 23,600 euros (approximately 4.3 million yen).

<Chinese Consolidated Subsidiary Issue>

In addition, 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 (hereinafter the “Chinese Consolidated Subsidiary Issue”).

Regarding the Chinese Consolidated Subsidiary Issue, internal investigation results 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. These issues were mainly due to a low level of compliance awareness within the Company, insufficient checks and oversight over the exercise of authority by managers, and a lack of job rotation systems. The Company will review the management system that relies on the discretion of specific managers and take corrective measures such as the introduction of a rotation system of responsible persons and the strengthening of the compliance learning program for employees in order to eliminate the dependence of operations on individuals. Employees who were involved in the Chinese Consolidated Subsidiary Issue have already retired, so disciplinary actions have not been taken.

The impact of these issues on the Company’s consolidated financial statements is limited, as the payment of personal income taxes related to the understatement has been completed.

(3) Establishment of third-party committee

Chairperson	Kaku Hirao	Attorney-at-Law, Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Member	Toraki Inoue	Certified Public Accountant, Accounting Advisory Co., Ltd.
Member	Makoto Shirai	Attorney-at-Law, Kohwa Sohgo Law Offices
Establishment date	September 3, 2025	
Matters commissioned	<ul style="list-style-type: none"> (1) Fact-finding investigations into suspected improper accounting practices (including the Techno Issue) at the Company and its group companies, such as arbitrarily adjusting the timing of write-downs of certain assets with risk in terms of their asset value; (2) Calculation of the amount of impact if improper accounting is found; (3) Root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; (4) Other matters deemed necessary by the third-party committee. 	

The particulars of the internal investigations into the Techno Issue were transferred to the third-party committee after the third-party committee confirmed that the particulars would not affect the neutrality or fairness of the third-party committee’s investigations.

The FIR Issue, the Elesys Issue, the Swiss Consolidated Subsidiary Issue, and the Chinese Consolidated Subsidiary Issue are outside the scope of the matters commissioned to the third-party committee because they are in principle trade transaction issues and customs duties and withholding income tax issues, and are not related to the suspected improper accounting practices, and the internal investigations have been conducted with the cooperation of outside experts.

2 Material weakness about internal control over financial reporting

The Nidec Group, while recognizing the FIR Issue, failed to reflect its impact on the consolidated financial statements in a timely manner afterwards. One reason for this is that the Company's officers and employees who received information regarding the conduct that potentially violated laws and regulations failed to report such information to members of the Company's management through the designated reporting line. As such, necessary internal discussions and reviews about the material risk information were not conducted, resulting in a loss of opportunity for early correction (company-wide internal control: information and communication). Another reason is that the Company's internal control system designed to ensure comprehensive collection of material risk information to reflect them in the consolidated financial statements was not properly organized (internal control over the Company's accounting and financial closing processes).

As disclosed in the "Notice Regarding Material Weakness about Internal Control over Financial Reporting and Disclaimer of Evaluation Results in Internal Control Report" dated September 26, 2025, the Company identified weaknesses in its internal controls, specifically, the inadequacies in its company-wide internal control (information and communication) and its internal control over accounting and financial closing processes. As these inadequacies are considered to have a potentially significant impact on the Company's financial reporting, the Company has determined that they constitute a material weakness.

3 Disclaimer of audit opinion and review conclusion

- As disclosed in the "Notice Regarding Disclaimer of Opinion in the Audit Report Concerning the Consolidated Financial Statements in the Securities Report and Disclaimer of Opinion in the Internal Control Audit Report for the Fiscal Year Ended March 31, 2025" dated September 26, 2025, the Company received an audit report containing a disclaimer of opinion on the consolidated financial statements in the securities report for the fiscal year ended March 31, 2025. The content of the disclaimer of opinion pointed out in the report is as follows.

<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 provided in the “Financial Information” section, which comprise the consolidated statement of financial position, consolidated statements of income and consolidated statements of 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, 2024 to March 31, 2025.

Given the significance of the potential impact of the matters described in the “Basis for Disclaimer of Opinion” on the consolidated financial statements, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for expressing an audit opinion on the consolidated financial statements, so we do not express an audit opinion.

<Basis for Disclaimer of Opinion>

As described in the Notes to Consolidated Financial Statement “Investigations by Third-Party Committees and Other Internal Investigations” section “1. Investigations by Third-Party Committees,” the Company has identified suspicions of inappropriate accounting treatment with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write downs of assets that carry evaluation risk, which could have a significant impact on the consolidated financial statements. Therefore, the Company determined that an objective investigation by a third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting practices are identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

In addition, as described in the Notes to Consolidated Financial Statements “Investigations by Third-Party Committees and Other Internal Investigations” section “2. Other Internal Investigations,” the Company is conducting internal investigations into issues related to trade transactions and tariffs.

The Company has stated in the Notes to Consolidated Financial Statement “Investigations by Third-Party Committees and Other Internal Investigations,” that the investigations by the third-party committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and

pervasive impact on the consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific consolidated financial statement line items and notes, such impact has not been reflected in the consolidated financial statements.

We were unable to obtain sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements. We have also determined that the potential impact of undetected misstatements, if any, on the consolidated financial statements could be material and pervasive and is not limited to specific consolidated financial statement accounts or notes. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

In addition, as disclosed in the “Notice Regarding Disclaimer of Conclusion in the Interim Review Report Concerning Financial Statements Summary for the Three Months Ended June 30, 2025” dated November 14, 2025, the Company received from its accounting auditor an interim review report containing a disclaimer of conclusion on the condensed quarterly consolidated financial statements in the Financial Statements Summary for the Three Months Ended June 30, 2025. The content of the disclaimer of opinion pointed out in the interim review report is as follows.

<Disclaimer of Conclusion>

We have reviewed the condensed quarterly consolidated financial statements included in the “Attachment” of the Financial Statements Summary, namely, the consolidated statements of financial position as of June 30, 2025 of Nidec Corporation, and the related condensed quarterly consolidated statements of income, comprehensive income, changes in equity and cash flows, including notes to the condensed quarterly consolidated financial statements for the consolidated fiscal year from April 1, 2025 to June 30, 2025.

Based on our interim review, we do not express a conclusion on whether the above condensed quarterly consolidated financial statements present fairly, in all material respects, in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omissions specified in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements apply), in light of the significance of the possible effects on the condensed quarterly consolidated financial statements of the matters described in the “Basis for Disclaimer of Conclusion.”

<Basis for Disclaimer of Conclusion>

As described in the Note to the Condensed Quarterly Consolidated Financial Statement “Investigations by Third Party Committee and Other Internal Investigations” section “1. Investigations by Third-Party Committee,” the Company has identified suspected improper accounting practices with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which could have significant impact on the entire consolidated financial statements. Therefore, the Company determined that an objective investigation by third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting treatment is identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

As described in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “2. Other Internal Investigations,” the Company is conducting internal investigations into issues related to the trade transactions and tariffs.

In addition, as described in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “3. Others,” the Company has recorded impairment losses on non-financial assets and provisions for loss on contract in the “AMEC” segment in the three months ended June 30, 2025. In addition, the Company has recorded liabilities arising from the settlement of claims for indemnification from suppliers in the “MOEN” segment in trade payables and other liabilities. However, regarding the existence of any inappropriate adjustments in amount, timing of recognition, and notes for the impairment losses, provisions for loss on contract, trade and other payables, the Company shared information with the third-party committee in early November 2025 concerning the matters on Battery EV related business in the “AMEC” segment and those related to the “MOEN” segment, confirming that these are included within the scope of investigation by the third-party committee. In addition, regarding the matters on automotive inverter business in the “AMEC” segment, there is a possibility of being included in the scope of investigation by the third-party committee hereafter. Therefore, misstatements on amount, timing of recognition and notes may be identified in the investigation by the third-party committee for each of these matters.

The Company has stated in the Notes to the Condensed Quarterly Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations,” the investigations by the third-party committee and other internal investigations are ongoing, and if any misstatements are identified as result of the investigations, they could have material and pervasive impact on the condensed quarterly consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific condensed quarterly consolidated financial statements line items and notes, such impact has not been reflected in the condensed quarterly consolidated financial statements.

We are unable to obtain evidence to form a conclusion on the condensed quarterly consolidated financial statements for the three months ended June 30, 2025. We have also determined that the potential impact of undetected misstatements, if any, on the condensed quarterly consolidated financial statements could be material and pervasive. As a result, we were unable to determine whether any adjustments to the condensed quarterly consolidated financial statements were necessary.

We have not expressed an audit opinion on the consolidated financial statements for the previous consolidated fiscal year.

In addition, as disclosed in the “Notice Regarding Disclaimer of Conclusion in the Interim Review Report Concerning the Semi-annual Report for the Six Months Ended September 30, 2025” dated November 14, 2025, the Company received from its accounting auditor an interim review report containing a disclaimer of conclusion on the condensed interim consolidated financial statements in the Semi-annual report for the six months ended September 30, 2025. The content of the disclaimer of opinion pointed out in the interim review report is as follows.

<Disclaimer of Conclusion>

Pursuant to the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the condensed interim consolidated financial statements included in the “Financial Information,” namely, the consolidated statements of financial position as of September 30, 2025 of Nidec Corporation, and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows, including notes to the condensed interim consolidated financial statements for the consolidated fiscal year from April 1, 2025 to September 30, 2025.

Based on our interim review, we do not express a conclusion on whether the above condensed interim consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of September 30, 2025, and the results of their operations and cash flows for the interim consolidated period then ended, in light of the significance of the possible effects of the matters described in the “Basis for Disclaimer of Conclusion.”

<Basis for Disclaimer of Conclusion>

As described in the Note to the Condensed Interim Consolidated Financial Statement “Investigations by Third-Party Committee and Other Internal Investigations” section “1. Investigations by Third-Party Committee,” the Company has identified suspected improper accounting practices with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which could have significant impact on the condensed interim consolidated financial statements. Therefore, the Company determined that an objective investigation by third-party committee independent of the Company was necessary and established the third-party committee on September 3, 2025. The third-party committee is responsible for investigating the facts regarding suspected improper accounting practices, calculating the amount of impact if improper accounting treatment is identified, investigating the cause of the discovery of improper accounting practices, recommending measures to prevent recurrence, and other matters deemed necessary by the third-party committee.

As described in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “2. Other Internal Investigations,” the Company is conducting internal investigations into issues related to the trade transactions and tariffs.

In addition, as described in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations” section “3. Others,” the Company has recorded impairment losses on non-financial assets and provisions for loss on contract in the “AMEC” segment in the six months ended September 30, 2025. In addition, the Company has recorded liabilities arising from the settlement of claims for indemnification from suppliers in the “MOEN” segment in trade payables and other liabilities. However, regarding the existence of any inappropriate adjustments in amount, timing of recognition, and notes for the impairment losses,

provisions for loss on contract, trade and other payables, the Company shared information with the third-party committee in early November 2025 concerning the matters on Battery EV related business in the “AMEC” segment and those related to the “MOEN” segment, confirming that these are included within the scope of investigation by the third-party committee. In addition, regarding the matters on automotive inverter business in the “AMEC” segment, there is a possibility of being included in the scope of investigation by the third-party committee hereafter. Therefore, misstatements on amount, timing of recognition and notes may be identified in the investigation by the third-party committee for each of these matters.

The Company has stated in the Notes to the Condensed Interim Consolidated Financial Statements “Investigations by Third-Party Committee and Other Internal Investigations,” the investigations by the third-party committee and other internal investigations are ongoing, and if any misstatements are identified as result of the investigations, they could have material and pervasive impact on the condensed interim consolidated financial statements. However, the Company has also stated that as the amounts of such impact may not be limited to specific condensed interim consolidated financial statements line items and notes, such impact has not been reflected in the condensed interim consolidated financial statements.

We are unable to obtain evidence to form a conclusion on the condensed interim consolidated financial statements. We have also determined that the potential impact of undetected misstatements, if any, on the condensed interim consolidated financial statements could be material and pervasive and is not limited to specific condensed interim consolidated financial statement accounts or notes. As a result, we were unable to determine whether any adjustments to the condensed interim consolidated financial statements were necessary.

We have not expressed an audit opinion on the consolidated financial statements for the previous consolidated fiscal year.

4 Designation of Security on Special Alert

As disclosed in the “Notice Regarding Designation of Security on Special Alert by Tokyo Stock Exchange” dated October 28, 2025, the Tokyo Stock Exchange placed the Company’s stock on Security on Special Alert on October 28, 2025 because the audit opinion in the audit report attached to the financial statements in the securities report, which serves as a basis for investors to make

appropriate investment decisions, contained a disclaimer of opinion and the Company's internal management system, etc. was considered to be in high need of improvement.

Regarding the details of the reason for the designation as a Security on Special Alert, the Tokyo Stock Exchange pointed out that Company 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.

5 Summary of third-party committee's investigation report

On February 27 and April 17, 2026, the Company received the third-party committee's investigation report regarding the investigation conducted by third-party committee of this Issue. As a result of the investigation, a large number of instances of improper accounting have been discovered at various operating bases in the Group. A summary of the investigation results is as follows. For the details of the investigation results, please refer to the third-party committee's investigation report (summary) disclosed by the Company on March 3 and April 17, 2026.

Period covered by the investigation	FY2020 to Q1 FY2025 However, if the third-party committee deems it necessary to investigate the cause, the investigation will be conducted retroactively to periods before FY2020.
Scope of the	All companies in the Group

investigation	
Investigation period	September 3, 2025 to April 17, 2026
Date of receipt of investigation report	February 27, April 17, 2026
Overview of the analysis of causes by the third-party committee	<ol style="list-style-type: none"> 1. Excessive performance pressure (the collapse of Mr. Nagamori's management philosophy) 2. Absolute authority of Mr. Nagamori 3. Failure of the check function <ol style="list-style-type: none"> (1) Accounting departments (2) Corporate Administration & Internal Audit Department (3) Legal & Compliance Department (4) The Audit and Supervisory Committee (Board of Auditors) <ol style="list-style-type: none"> A. Full-time Audit and Supervisory Committee Members (Auditors) B. Outside Audit and Supervisory Committee Members (Auditors) C. Diversity of outside directors 4. Dishonesty toward the accounting auditor is equivalent to dishonesty toward investors and the market
Details of the recurrence prevention recommendations by the third-party committee	<p>Comments on the improvement measures in the improvement plan dated January 28, 2026 and the following items</p> <ol style="list-style-type: none"> (1) Breaking away from being "Mr. Nagamori's company" (2) Reinforcement of the functions of outside directors (3) Engrained good faith toward investors and markets

In addition, as stated in the third-party committee's investigation report, from around 2011 to June 2020, a specific employee belonging to the Corporate Administration & Internal Audit Department received special orders from Mr. Shigenobu Nagamori, who was President and CEO of the Company at the time, to investigate issues where improper accounting was suspected (hereinafter referred to as "special audits"). However, with regard to the special audit, the person in question had retired and there was no response to the request for interview, so no facts other than those indicated in third-party committee's investigation report have been revealed.

6 Overview of improper accounting practices

As announced in the "Announcement Regarding the Disclosure of the Third-Party Committee's Investigation Report and Our Company's Response" dated March 3, 2026 and the "Announcement Regarding Receipt of the Third-Party Committee's Investigation Report (Final Report) and Our

Company's Response" dated April 17, 2026, a large number of instances of improper accounting have been discovered at various locations in the Group. The identified improper accounting involves a wide range of instances, including the following: 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.

Part 3 Improvement measures

As described in Part 2 above, due to this Issue and trade transaction issues and customs duties and withholding income tax issues in the Group, the Company continues to receive disclaimers of opinion and conclusion, including a disclaimer of audit opinion of Annual Securities Report for the fiscal year ended March 31, 2025, a disclaimer of review conclusion of the Consolidated Financial Results for the First Three Months of the Fiscal Year ended March 31, 2026, and a disclaimer of review conclusion of the Semi-annual Securities Report for the Fiscal Year ended March 31, 2026. In addition, the Company has not disclosed the Consolidated Financial Results for the Third Quarter of the Fiscal Year ended March 31, 2026 and remains unable to disclose appropriate financial results as of the present time.

Currently, our clear direction is to transform ourselves into a company that prioritizes what is "right" guided by high ethical standards. We will also develop leaders who think and act autonomously. Moreover, we will transform ourselves into an organization where everyone proactively shares their views, cross-checks one another, and continually pursues what is right.

In order to realize this direction, after the establishment of the third-party committee, messages were sent from the Board of Directors and from the Representative Director, President and CEO (hereinafter referred to as "President") where the President urged the Group to speak up in a frank

manner, showing the importance of putting the highest priority on compliance and of working together with employees to do the right thing.

Furthermore, the President's visit to group companies and the installation of opinion boxes have collected the voices of the people in the field. On top of that, from November 2025, we implemented under the management and supervision of the third-party committee an accounting voluntary inspection of all group companies to examine the appropriateness of accounting practices for the past six years (hereinafter referred to as the "accounting voluntary inspection").

In addition to these efforts, as announced in the "Dear Valued Business Partners" dated November 4, 2025, the Company established the Nidec Corporate Reform Committee in order to formulate and execute improvement measures at an early stage to prevent recurrence, and to reform as a company that can put "what is right" first and foremost with high ethical standards. The Nidec Corporate Reform Committee is comprised of the President as chairperson and 13 other members of the Company who will lead the next generation.

The Nidec Corporate Reform Committee has several working groups (hereinafter "WG"), specifically, Governance WG, Restructuring WG, Accounting/Finance WG, Corporate Culture WG, Human Resources WG, Compliance WG, Audit/Internal Management System WG, IT WG, and Quality WG, made up of officers and employees of the Company and the group companies. These WGs have collected and continue to collect opinions of not only the selected members of the Nidec Corporate Reform Committee but also a wide range of officers and employees from the Company and the group companies, and constantly discuss issues facing the Group and measures for reform, while receiving advice from external advisors and paying close attention not to hinder the investigations by the third-party committee. Based on the discussions in these WGs, the Company has held Nidec Corporate Reform Committee meetings two or three times a month from November 2025 to April 2026, in which its chairperson and members participate, and two full-time members of the Audit and Supervisory Committee join as observers.

The Nidec Corporate Reform Committee, as of the disclosure of the "Notice Regarding Disclosure of the Improvement Plan and the Status Report" dated January 28, 2026, had conducted interviews with 26 individuals, including 7 outside directors, executive officers involved in the Company's businesses, and domestic and international officers and employees (each hereinafter a "Target Individual"). To avoid impacting or interfering with the investigation by the third-party committee, these interviews were conducted with the approval of and in coordination with the third-party committee to collect various opinions from officers and employees of the Group on their views regarding the possible root cause of suspected improper accounting practices recognized by the

Company, if it is later determined to be true that improper accounting occurred, and not for the purpose of the Company independently confirming the specific relevant facts related to this Issue.

Based on the results of these interviews, the Nidec Corporate Reform Committee re-examined the causes leading to the improper accounting practices and deficiencies in internal controls based on the contents of the third-party committee's investigation report received on February 27 and April 17, 2026, analyzed the causes, and formulated a revised version of the improvement measures to prevent a recurrence based on the analysis.

In addition, since we submitted the improvement plan to the Tokyo Stock Exchange on January 28, 2026, we have been working to introduce and implement various improvement measures to prevent recurrence. Managing the progress and supporting the promotion of these measures are the responsibility of the responsible divisions and the Policy Promotion Secretariat, and through ongoing collaboration and monitoring, all Group officers and employees are working together to ensure that there is no recurrence.

1 Analysis of the causes

Based on the relevant facts and analysis of causes in the third-party committee's investigation report announced in the "Notice Regarding the Third-Party Committee's Investigation Report" dated February 27, 2026 and the "Announcement Regarding Receipt of the Third-Party Committee's Investigation Report (Final Report) and Our Company's Response" dated April 17, 2026, we revised the contents of the analysis of causes announced in the "Notice Regarding Disclosure of the Improvement Plan and the Status Report" dated January 28, 2026.

(1) Excessive shareholder primacy to continue to demonstrate growth

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Mr. Shigenobu Nagamori, the former head of the Global Group (who resigned as "Founder and Chairman of the Board" on December 19, 2025, and took office as Chairman Emeritus on the same date, but resigned as Chairman Emeritus on February 26, 2026. Hereinafter referred to as "Mr. Nagamori"), attached great importance to stock prices and tended to place excessive importance on maintaining and improving the level of stock prices and market capitalization.
- Certain members of the Company's management requested meetings several times a day with each Business Unit and domestic Group company to monitor progress and confirm the achievement of numerical targets.

Based on these points and the contents of the third-party committee's investigation report, we analyze that "excessive shareholder primacy to continue to demonstrate growth" was a cause of this Issue as follows.

Our basic management stance has always been to establish "high business growth, high profits, high shareholder value," as outlined in "The Challenging Road" booklet shared with employees that summarizes the philosophy and behavioral principles of Mr. Nagamori, and stock prices have been regarded as an important indicator. In addition, since 2018, the stock price has been more emphasized as a "report card of management" and used as a management indicator in the selection of candidates to succeed Mr. Nagamori as then-President of the Company. When the stock price became more sluggish than before, an internal profit target (different from the published accounts forecast) was set in order to recover the stock price. In order to achieve this goal, the Company strengthened the framework in which certain members of the Company's management assign profit targets to each Business Unit and domestic Group company, and these profit targets served as the basis for the disclosed business plan. As stated above, profit targets were not set based on the actual performance of each business. Rather, they were set based on "what results should be from the investor's point of view." As a result, they were sometimes "unrealistic" and difficult to achieve. In addition, once a profit target had been set, it was sometimes subsequently increased in order to raise the corporate performance of the entire Group, or profit targets were added individually depending on the achievement status of an individual Business Unit or domestic Group company, and it was sometimes a more difficult target. In order to achieve these profit targets, the Company tried to avoid recording expenses and losses such as valuation losses on inventories and impairment of fixed assets. As a result, there were risky assets referred to as "legacy liabilities" in the Company. This included assets in which losses that should have been recorded for accounting purposes were not recorded in a timely manner. Regarding the disposition of expenses and losses on these legacy liabilities, the disposition of them was required to be carried out through self-funding (an internal term meaning that the performance targets are achieved after the losses generated by the disposal are covered by revenue) or on the premise of securing a certain amount of operating profit, which made it more difficult to achieve the targets. There has also been excessive performance management by certain members of our management to achieve profit targets. In addition to monthly confirmation of the achievement of targets, repeated meetings were held several times a day when there was a possibility that a target would not be achieved, and progress management and confirming the achievement of the numerical targets were conducted daily. Moreover, the last meeting of the day was set for midnight local

time for many employees, and there were cases of excessive micromanagement, such as being required to draw up strict measures until the target could be achieved. This was not an exception even after the completion of the accounting closing fiscal year end. If the operating profit preliminary figures were worse than expected, instructions were given to accumulate the figures by the accounting closing deadline, and executives of businesses that did not achieve their targets were sometimes criticized by name in front of colleagues, either in meetings or by email.

In this way, under the situation where difficult to achieve profit targets determined by the top-down approach were required to be achieved through excessive micromanagement, severe pressure to achieve the targets was generated at each level of management, such as the management of the Company, the management of each Group company, and within each Group company.

- (2) A corporate culture that gives top priority to short-term profits and does not allow targets to be missed

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- They were frequently asked to achieve results in a short period of time.
- Vice President appointments were strongly linked to the Company's short-term performance.
- Since the term of the office for Vice Presidents is short, they were required to achieve results in a short period of time.

Based on these points and the contents of the third-party committee's investigation report, we analyze that the "corporate culture that gives top priority to short-term profits and does not allow targets to be missed" was a cause of this Issue as follows.

Certain members of Company management were focused on continuing to demonstrate current performance progress while presenting a vision of the Company's future growth potential in order to enhance the share price.

As described in (1) above, the method of excessive micromanagement guidance from certain members of the Company's management to the management of each Business Unit and domestic Group company has been linked to each level, creating a situation in which the executives and employees of each Business Unit and domestic Group company found it difficult or impossible to express their opinions, giving top priority to short-term profits, and creating a behavioral style and corporate culture based on a mindset of not allowing targets to be missed.

The Nidec Group Company Values consists of the “Three Essential Attitudes,” which are Mr. Nagamori’s philosophies of life and management. One of the Three Essential Attitudes, “Do it now; do it without hesitation; do it until completed,” is a philosophy that shows our strong commitment to accomplishing objectives. Through Rindokukai (short morning sessions where team members take turns reading aloud from a selected book or material), reading of “The Challenging Road,” a collection of these episodes, and Mr. Nagamori’s instructions at employee morning assembly sessions inside and outside of Japan, the message that “those who make profits are most valued” was repeatedly shared. In addition, the business performance evaluation system that placed too much emphasis on the ratio of achievement to the target operating profit and the personnel evaluation system that, through its operation, led to a focus on performance and neglect of behavior, especially for the Company’s Vice Presidents, affected the values, behavior and thinking styles of employees.

Based on these values, behaviors, and thinking styles, it is believed that a sense of prioritizing short-term profits, that is, prioritizing the achievement of short-term profit targets, has developed.

Moreover, as described in (1) above, those in the Company who reported that they had not achieved their targets were sometimes subjected to excessively harsh reprimands in front of colleagues. Such reprimands cascaded through each level of the organization, and we believe they helped foster a culture that does not tolerate missed targets and discourages people from speaking out.

Furthermore, as described in (5) below (Internal control weaknesses), the fact that the second line of defense (accounting department, Legal & Compliance Department, Human Resources Department, etc.) and the third line of defense (internal audit department) did not take appropriate measures even though they were aware of the problem is a reflection of the climate of silence, and it is believed that it further fostered the development of that climate. In addition to these inappropriate responses, due to a lack of resources in the system for responding to reports, investigations related to compliance violations were sometimes delayed or insufficient, and the disciplinary actions against the parties involved were sometimes seen as inconsistent and prioritizing the impact on business. As a result, there was recognition among employees that disciplinary actions for raising issues or problems were not handled appropriately, and as a result, it is considered that a climate of silence was created.

Moreover, in a culture that prioritized short-term profits and did not accept not achieving targets, there were many cases of achieving targets by giving the accounting auditor inaccurate or misleading information to elicit favorable opinions, and it is believed that the Company lacked sincerity toward investors and the market.

(3) Concentration of authority on Mr. Nagamori and culture of prioritizing his opinions

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Executives speculated on Mr. Nagamori's intentions.
- There was a culture of trying to receive approval from Mr. Nagamori, and the focus was on what to do to get approval from Mr. Nagamori.

In light of these observations and the contents of the third-party committee's investigation report, it is analyzed that the concentration of authority in Mr. Nagamori and the existence of a "culture of prioritizing the opinions of Mr. Nagamori" have led to governance and internal controls weaknesses, leading to a situation where this Issue has emerged.

At the Company, authority was concentrated on Mr. Nagamori, who founded the Company and is recognized as a charismatic manager, and officers tended to rely on the judgment of Mr. Nagamori and give priority to his opinions. To be more specific, according to the Company's regulations, the person who approved the proposal differed depending on the size of the Group company, its business performance, whether it was in Japan or overseas, the approved amount, etc., but the authority over the Company's Business Units, which are the Automotive Motor & Electronic Control Business Unit, Small Platform Motor & Solutions Business Unit and Machinery and Automation Business Unit, and domestic Group companies was concentrated in Mr. Nagamori. In addition, Mr. Nagamori had the final decision-making authority, remuneration decision-making authority, and decision-making authority on Vice President personnel at domestic Group companies. In addition, even after Mr. Nagamori assumed the position of Chairman and Representative Director, the decision-making authority given to Representative Director and President and others was limited, and Mr. Nagamori still had the authority to make decisions on personnel authority and remuneration.

In addition, Mr. Nagamori often used these powers to put pressure on the Group's management, and members of the Group's management were demoted or forced to leave the Company repeatedly to take responsibility for the underperformance. As a result of this situation, there was a tendency to create business plans and investment plans that were in line with the wishes of Mr. Nagamori, and not to allow progress reports that were not in line with the plans. Moreover, it was virtually required to obtain the approval of Mr. Nagamori on matters to be submitted to the Board of Directors of each Business Unit and domestic Group company, and a system dependent on Mr. Nagamori was created.

Therefore, policies, etc. considered to be the intention of Mr. Nagamori, were not necessarily decided following sufficient checks.

For example, although initiatives to resolve the issue of legacy liabilities were implemented intermittently, including the Asset Revitalization Project from around the end of 2016 and structural reforms from Q4 2022, we were unable to take drastic measures because, based on the wishes of Mr. Nagamori, it was assumed that a certain level of profits would be secured or a V-shaped recovery would follow, and Mr. Nagamori rejected a plan to dispose of legacy liabilities under a separate framework that was not self-funding. As a result, the legacy liabilities continued to be not disposed of appropriately.

Similarly, in some businesses positioned as pillars of growth, the Company has implemented a “waiting strategy” of making large-scale investments in anticipation of future demand growth. These included capital investment and plant construction for vertical integration, and a policy of receiving all orders based on the intention of Mr. Nagamori was being implemented. Furthermore, since Mr. Nagamori and a certain Vice President were mainly in charge of the Company’s mergers & acquisition activities (“M&As”), information was not shared with other officers and employees of the Company in a timely manner, and as a result, other officers and employees were not in a position to fully examine the content of the Company’s M&As. With regard to these investments, the analysis and risk management based on the investment recovery plan and business portfolio were insufficient, or the check function was not sufficient due to the lack of information provided.

(4) Governance vulnerabilities

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- It is difficult for outside directors to properly identify operational risks when they are not familiar with the business.
- Sufficient risk information, information on actual business conditions, and the status of discussions were not shared with Board of Directors by the officers, the Vice Presidents and the division in charge.

Based on these findings and the contents of the third-party committee’s investigation report, we analyze that the “governance vulnerabilities” were a cause of this Issue.

In the past, against the backdrop of the strong demand from Mr. Nagamori and some Vice Presidents to set extremely high targets and the corporate culture that does not allow targets to be missed, there was a practice of reporting preliminary results at the beginning of each month as

“monthly business results” to the Board of Directors as if high targets had been achieved. However, deviations from quarterly financial results occurred so frequently that the reporting of “monthly business results” was not conducted after December 2022, and no information on results was reported to the Board of Directors thereafter. In addition, compliance violations and other material risk information identified by executives were not sufficiently reported to the Board of Directors. As described above, there is a possibility that the Board of Directors was unable to fully exercise its supervisory function in a situation where there was a lack of information on the actual status of businesses and risk information.

According to the third-party committee’s investigation report, the main overview of the current issues, etc. of the improper accounting issue that occurred in the Group were reported at the Audit and Supervisory Committee (Board of Auditors) meeting, but the report was a general one and did not lead to a deep discussion of the background of the cause. In addition, the awareness of the Corporate Administration & Internal Audit Department and full-time Audit and Supervisory Committee Members (auditors) that the root cause of the improper accounting issue was the pressure from the Company on business performance was not communicated to the outside directors. All of the outside directors interviewed by the third-party committee were under the impression that the improper accounting had occurred for reasons specific to each base. Furthermore, all of the outside Audit and Supervisory Committee Members (auditors) interviewed by the third-party committee were not aware that the pressure on business performance exceeded sound levels and did not grasp the actual situation.

Moreover, the results of the special audits conducted in the past were shared only between Mr. Nagamori and some of Vice Presidents.

In addition, opportunities were provided to explain the status of each party’s activities, etc., such as accounting auditor providing regular reports to the Audit and Supervisory Committee (Board of Auditors) as required by audit standards, etc., and Corporate Administration & Internal Audit Department attending the Audit and Supervisory Committee (Board of Auditors) meetings, but there was no opportunity for these three parties to gather and share each other’s activities and awareness of issues. There was also no opportunity for outside executive officers to exchange frank opinions with each other, which led to the lack of information provided.

Regarding the composition of the Board of Directors, appointed outside directors were mainly people with academic experience and administrative experience and did not include people with management experience of listed companies or accounting experts. Therefore, there is room for executives to have a variety of specialties that can confirm and point out risks from a more diversified perspective.

(5) Internal control weaknesses

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

- Internal audits have not been carried out sufficiently at some sites.
- At the performance meetings, the CFOs of Business Units and domestic Group companies (in charge of the accounting department, which is the second line) were strictly scrutinized for performance.

In light of these findings and the contents of the third-party committee's investigation report, we have analyzed that "internal controls weaknesses" were a cause of this Issue.

Essentially, in order to ensure the effectiveness of internal controls, it is necessary to build a three-line defense system that realizes highly effective governance while clarifying the roles and independence of each line. The accounting department, Legal & Compliance Department, and Human Resources Department, which are the second line, are expected to maintain an independent position from the business divisions, which are the first line, and to play a role in checking and supporting the activities of the first line. The internal audit department, which is the third line, is expected to monitor the effectiveness of internal controls from an independent position.

In this regard, in the Group, many CFOs and their subordinate accounting departments were burdened with the responsibility of achieving results and were not placed to act as a second line of defense. As a result of the investigation related to the improper accounting issue that occurred in 2019, the Company's accounting department had problems with independency and had not been able to exercise sufficient authority in relation to the divisions. Based on this, the Company considered a system in which the reporting line for the accounting departments and the reporting line for business divisions, particularly for performance management, would be separated and the CFOs of subsidiaries would be positioned within the reporting line of the Company's CFO. However, this was not realized primarily due to the lack of human resources.

In addition, through responses to whistle-blowing reports, internal compliance seminars and surveys of improper accounting issues, etc., the Legal & Compliance Department was aware that excessive pressure was being applied to Business Units and domestic Group companies to achieve performance targets. However, due to the "concentration of authority in Mr. Nagamori and culture of prioritizing his opinions" mentioned in (3), the Legal & Compliance Department hesitated to contradict Mr. Nagamori's management style, failed to address fundamental

problems, or was unaware of these problems, so it was not able to fully perform its check function. The Human Resources Department was also aware of the fact that excessive pressure was applied to achieve performance targets through interviews etc. with retired employees, but for the same reason as the Legal & Compliance Department, checks and balances and efforts for improvement were not sufficient.

In addition, in the FIR Issue, the Company's officers and employees who received the information regarding the conduct that potentially violated laws and regulations failed to report such information to members of the Company's management through the designated reporting line, necessary internal discussions and reviews regarding the information on the material risk were not conducted, resulting in a loss of opportunity for early correction (company-wide internal controls: information and communication). In addition, the Company's internal control system designed to ensure comprehensive collection of material risk information to reflect them in the consolidated financial statements was not properly organized (internal controls over the Company's accounting and financial closing processes.).

As for the third line of defense, the Corporate Administration & Internal Audit Department, our internal audit department, knew that the root cause of frequent improper accounting in the Group was the strong performance pressure from our Company. However, they did not go into the matter, giving priority not to delay the accounting closing schedule and avoiding deep investigations that would expand the scope of the investigation. In addition, investigation reports were created to minimize the facts, such as by deleting statements from interview minutes that suggested the presence of strong performance pressure, and thus the Corporate Administration & Internal Audit Department failed to fully perform its check function. Behind these actions, we believe, was a fear of contradicting Mr. Nagamori's management style in which Mr. Nagamori believed in announcing the accounting closing earlier than anyone else and setting goals that everyone would consider unrealistic and then achieving them.

Furthermore, there were some Group companies for which monitoring by the Company's Corporate Administration & Internal Audit Department was not sufficient, and the internal auditing system for managing each Group company as a group was not sufficiently established. There was also a lack of adequate internal auditing of the collection of material risk information relating to the FIR Issue.

(6) Vulnerability of the Group company management system

During an interview with the Nidec Corporate Reform Committee, a Target Individual pointed out the following points.

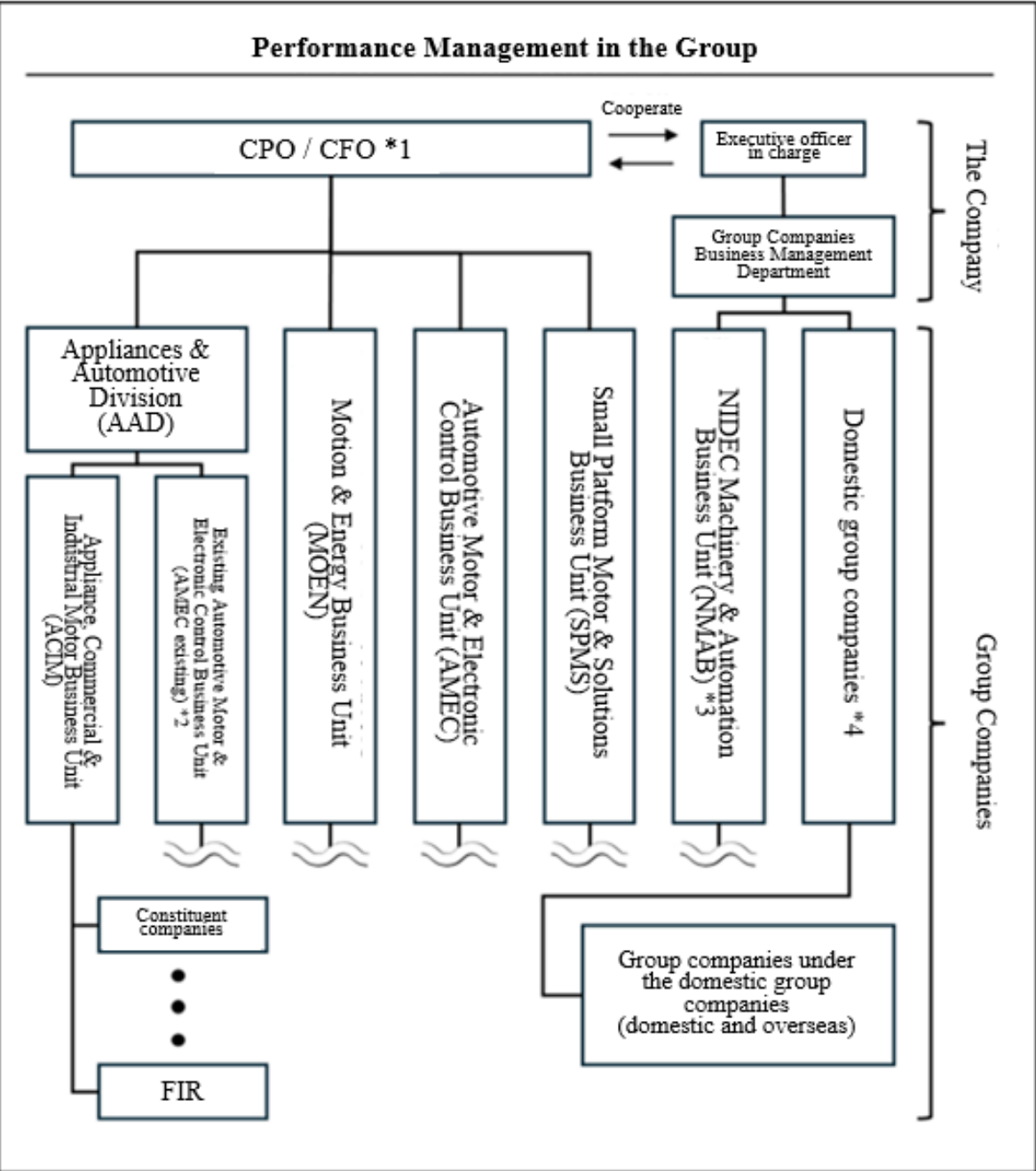
- The Group company management system does not keep up with the number of Group companies.
- Performance management takes precedence over integration work for acquired companies.

Based on these points and the contents of the third-party committee's investigation report, we analyze that the "vulnerability of the Group company management system" was a cause of this Issue as follows.

We have expanded our business through a number of M&As in Japan and overseas. However, the management system after the acquisition was different depending on the circumstances, such as who in the group was in charge of the acquisition and whether the acquired company was in Japan or overseas, and there was no unified management system.

In particular, the Group Companies Business Management Department has been in charge of the management of domestic acquisitions (domestic Group companies), including performance management. On the other hand, overseas acquisitions by domestic Group companies have been managed by the domestic Group companies, while acquisitions of companies handled by our Business Unit, whether in Japan or overseas, have been directly managed by the relevant Business Unit. As a result, the Group was not able to establish a standard Group management system because the divisions in charge of management were different depending on the acquired company and the level and method of management were left to the divisions in charge.

In the Group, the CPO/CFO of the Company manages the performance of the Appliances & Automotive Division (hereinafter referred to as "AAD"), MOEN, Automotive Motor & Electronic Control Business Unit (hereinafter referred to as "AMEC"), and Small Platform Motor & Solutions Business Unit (hereinafter referred to as "SPMS") and the Group Companies Business Management Department manages the performance of Machinery & Automation Business Unit (hereinafter referred to as "NMAB") and each domestic Group company as shown below.



* 1: CPO (Chief Performance Officer), CFO (Chief Financial Officer)

* 2: Existing Automotive Motor & Control Business Unit (AMEC existing) and its constituent companies directly reported their performance to the Company until October 2024.

* 3: NMAB is a Business Unit that unites group companies in Japan and overseas, including Nidec Drive Technology Corporation, Nidec Machine Tool Corporation, Nidec OKK Corporation, Takisawa Machine Tool Co., Ltd., and PAMA S. p. A. As the Company used to be a member of the group companies in Japan, its performance continued to be managed by the Group Companies Business Management Department even after the establishment of NMAB.

* 4: Domestic Group companies refer to Nidec Advanced Technology Corporation, Nidec Advanced Motor Corporation, Nidec Instruments Corporation, Nidec Global Service

Corporation, Nidec Components Corporation, Nidec Techno Motor Corporation, Nidec Powertrain Systems Corporation, Nidec Precision Corporation, and Nidec Mobility Corporation, and performance is managed by the Group Companies Business Management Department.

Moreover, the Company has placed emphasis on enabling the management and employees of the acquired companies to build a self-reliant management structure that allows them to continue to operate independently after the acquisition. As a result, the number of executive officers and other personnel dispatched from the Company to the companies that became group companies following the acquisition to integrate corporate functions was limited to a minimum. In particular, since the acquisition of the Motors & Controls Division (currently Nidec Motor Corporation) from Emerson Electric Co., which was the starting point for the establishment of the Appliance, Commercial & Industrial Motors Business Unit (currently ACIM and MOEN), the Company has left this to the independent management of the Business Units, which have functions overseas. Furthermore, in addition to performance management, the Company's top management, including Mr. Nagamori, regularly visited the acquired company locations to discuss management methods and grasp the Group's business. The Company did not take sufficient measures to manage acquired companies' business and management systems as a Group. As was the case with the acquisition of the Motors & Controls Division, the group companies were managed without sufficient control from the Company's corporate division. As a result, the group companies expanded without a sufficient system for managing the acquired companies on the Company's side, and the result was that the Company lacked human resources that could take on management functions other than performance management.

2 Improvement measures to prevent recurrence

I. Improvement measures and status of the FIR Issue

In the FIR Issue, in terms of material risk information, there was an inadequacy regarding our company-wide internal controls related to information and communication and internal controls over accounting and financial closing processes, and similar customs issues were found in the additional investigation. Thus, recurrence prevention measures were formulated as follows and are being implemented sequentially.

- (1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority
- (i) 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, the President 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, the President sent a video message to all executives and employees, stating that integrity is our top priority.

- (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, appropriate disciplinary actions will be taken, and the details will be disclosed to our employees to thoroughly communicate the necessity of prioritizing compliance above all else.

- (iii) 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.

Improvement measure	Nurturing awareness and a corporate culture that make regulatory compliance the top priority
Department in charge	(i) Board of Directors (ii) Human Resources Department (iii) Compliance Department
Regulations subject to maintenance	(i) - (ii) - (iii) Organization chart
Completion date of maintenance	(i) Clear message from the Company’s Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations

	(iii) Strengthening our Legal & Compliance Department's functions: October 2025
Start date of operation	(i) Clear message from the Company's Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations (iii) Strengthening our Legal & Compliance Department's functions: October 2025
Methods of raising awareness	(i) E-mails and company portal (ii) Internal notice (iii) Internal notice
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(2) Strengthening organizations and systems

(i) Strengthening the trade compliance system

As part of the Group's global trade management system, the Trade Management Office has been established under the Legal & Compliance Department and has been responsible for collecting information on global trade management, disseminating and sharing information to related parties, and providing guidance to the Company and Group companies on necessary matters related to global trade management.

In addition, in areas other than the Company's jurisdiction, specifically ACIM and NAHC, separate trade compliance officers have been appointed in each respective jurisdiction. However, the overall control function of the Trade Management Office was not functioning sufficiently, the division of roles between each jurisdiction was unclear, and information sharing was insufficient.

Accordingly, 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 NAHC, 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.

(ii) Strengthening the global compliance system

In addition to establishing an office of Chief Legal Officer (CLO) and assigning a person with specialized knowledge and experience, we have assigned a compliance specialist in North America. Since October 2025, bi-weekly meetings have been held by the Company’s Legal & Compliance Department with Group Regional Compliance Officers to share information on the status of investigations of reported cases and issues in significant regions, in an effort to share risk information and improve responsiveness.

Improvement measure	Strengthening organizations and systems
Department in charge	(i) Trade Compliance Office (ii) Compliance Department
Regulations subject to maintenance	(i) Basic Regulations on Global Trade Management (ii) -
Completion date of maintenance	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Start date of operation	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) Once a year (ii) Bi-weekly
Monitoring status	(i) Activity reports to the Global Trade Management Committee (ii) Activity reports to CLO/CCO
Cause item number (reference)	(6)

(3) Improvement of procedures, regulations and mechanisms

(i) 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.

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

We will establish regular information-sharing sessions with overseas legal and compliance officers and share such information among key members within the Company's Legal & Compliance Department. Specifically, the Legal & Compliance Department receives monthly risk information reports on litigation cases from each regional legal affairs personnel and shares them within the Legal & Compliance Department. In addition, in order to share a wide range of issues and response policies not only related to litigation but also related to compliance, etc., across the Group, we have commenced holding regular global in person and virtual meetings since April 2026, with the participation of leaders from the Legal Department, Compliance Department, and Trade Compliance Office.

(iii) Properly organizing the internal control system

In the past, quarterly inquiries from the accounting department to the Legal & Compliance Department on risk information were made only at the Company. We have expanded this to a global basis and introduced a process to check whether the material risk information identified by the accounting department is comprehensive. It is assumed that the risk information handled by the Legal & Compliance Department includes information on litigation cases and whistle-blowing reports. Regarding the risk information on litigation cases that are reported monthly to the Legal & Compliance Department by regional legal affairs personnel as described in (ii) above, we have established a browsable database and implemented risk analysis to share such information with the accounting department. Regarding information related to whistle-blowing, we are working to share such information after deleting or editing information that could lead to the identification of the whistle-blower and limiting the people who have access rights.

Improvement measure	Improvement of procedures, regulations and mechanisms
Department in charge	(i) Risk Management Office (ii) Legal Department (iii) Accounting and Tax department / Compliance department / Legal department
Regulations subject to maintenance	(i) NIDEC Group Compliance Regulations (ii) - (iii) -
Completion date of maintenance	(i) Improvement of the Group's reporting system: February 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: December 2025

	(iii) Properly organizing the internal control system: December 2025
Start date of operation	(i) Improvement of the Group's reporting system: March 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: January 2026 (iii) Properly organizing the internal control system: January 2026
Methods of raising awareness	(i) Internal notice (ii) - (iii) -
Frequency of implementation	(i) - (ii) Monthly (iii) Quarterly
Monitoring status	(i) - (ii) - (iii) Confirmed in internal audits
Cause item number (reference)	(5)

(4) Improvement measures at FIR

FIR, where the FIR Issue occurred, will formulate and sequentially implement the following recurrence prevention measures in addition to the above-mentioned improvement measures for the entire Group (in particular, thorough awareness that make regulatory compliance the top priority as in (1) (i) and (ii) above and integrated management by NAHC of trade procedures related to the United States as in (2) (i) above).

(i) Systematic training and education system

In the past, we did not have a systematic training and education system in place. In order to ensure that all employees are aware of the need to comply with U.S. customs laws, we 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, we conducted education aimed at preventing recurrence for the procurement and distribution departments of FIR. In addition, in March 2026, we conducted a learning program for departments involved in trade compliance with the aim of learning the latest U.S. tariff systems.

(ii) 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, we developed and started to operate such

internal controls. In particular, we have newly established Article 10 of the Nidec Group Global Trade Administration Regulations to establish a process that requires cooperation with the NAHC 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, we 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.

Improvement measure	Improvement measures at FIR
Department in charge	(i) Trade Compliance Office (ii) Corporate Administration & Internal Audit Department
Regulations subject to maintenance	(i) - (ii) Nidec Group Global Trade Administration Regulations
Completion date of maintenance	(i) Systematic training and education system: January 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: March 2026
Start date of operation	(i) Systematic training and education system: February 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: April 2026
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) At least once a year (including companies other than FIR) (ii) -
Monitoring status	(i) Confirmation of participants (ii) SOX evaluation by the AAD Internal Control Office
Cause item number (reference)	(5)

(5) Disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, responsibilities will be clarified as described in II (18) below, and appropriate disciplinary actions will be implemented.

II. Improvement measures based on suspected improper accounting practices

The Company believes this Issue was caused by a combination of the six structural and complex factors mentioned in 1 above. Based on these causes, measures have been formulated from the following perspectives.

[Planning and performance management]

We will review the process for formulating the medium-term management plan and the business plan for the next fiscal year, and each Business Unit and domestic Group company will take the initiative in formulating plans based on its own characteristics and environment, rather than top-down target setting. We will change the process so organizational decisions are made after verifying the plan in cooperation with each Business Unit and domestic Group company. Budget vs. actual performance management has been changed to business management based on financial accounting figures that do not involve business divisions' judgment. If there is a change due to external circumstances or internal factors, we will consider not only the room for recovery but also interim reviews. In addition, the business evaluation criteria will include not only financial indicators that are biased toward the amount of the operating profit, but also indicators that contribute to the growth of the company in the medium to long term. By establishing evaluation criteria for Vice Presidents and employees based on this concept, we will create a system in which short-term targets are not the only targets.

[Accounting functions and accounting policies]

In order to ensure that the accounting function is independent of the business divisions, the accounting function and the business management function, which is responsible for monitoring the implementation of management strategies, will be separated, and the responsibility for the accounting function of Business Units and domestic Group companies and personnel will be transferred to the Company's accounting function. On top of that, we will raise awareness of the second defense line by continuously conducting learning programs and education to increase awareness of the accounting function. Furthermore, we will revise the Group Accounting Policy and expand it to all group companies.

[Corporate culture]

Reform of the corporate culture is required of all levels of management, executives, and employees, and we will thoroughly implement improvement actions from all perspectives. On February 1, 2026, we established a new organization (Culture Transformation Lab) to promote the transformation of our corporate culture. Under the Culture Transformation Lab, we will build a system to convey employees' opinions to management and reflect them in our policies. In this way, we will foster a corporate culture in which employees can express their opinions and raise issues frankly. In addition, we will raise awareness of compliance as a major prerequisite for business activities by enhancing compliance education at each level. Moreover, we will reform our corporate culture from the HR system side by clarifying that employee

human resources will be evaluated based on results that lead to the future (structures, processes, and strengthening the HR system) and correct behavior.

[Governance]

To strengthen corporate governance, the Company will clearly establish opportunities to discuss and report to the Board of Directors on the medium-term management plan, the business plan, and the progress of each, and strengthen the supervisory function by developing a system to share important risk information. In addition, we will enhance the environment for providing sufficient information to outside directors. For example, we will expose the process of formulating the business plan to outside directors, share important risk information obtained by the second and third line divisions with outside directors at the opportunities where outside directors regularly exchange opinions with the second and third line divisions and develop a system in which outside directors can more specifically grasp the actual status of risks and issues faced by the Company. Further, in order to improve the effectiveness of the Audit and Supervisory Committee, we will strengthen the reporting of internal auditing results and the exchange of opinions with the Vice Presidents and newly implement the exchange of opinions through three-way auditing. In addition, we will clarify the requirements for the composition of the Board of Directors and make the Board of Directors lineup capable of exercising the supervisory function from a broader perspective. Regarding the Vice Presidents, the Company will review the nomination criteria for qualification and review remuneration evaluation criteria from a medium- to long-term perspective to correct the short-term profit-first mentality.

[Internal audits, whistle-blowing, and disciplinary actions]

Regarding internal audits, in addition to reports to the President, regular reports are made to the Audit and Supervisory Committee, and timely reports are made to the Audit and Supervisory Committee on risks that need to be addressed from the perspective of Group governance, including three-way audits, in order to strengthen the third defense line. In addition, we will expand the scope of audits, which were previously limited to operational audits and internal controls in the accounting area, and examine the governance of the entire Group from a broader perspective. We will also objectively examine whether whistle-blowing systems are functioning properly and enhance their effectiveness.

In addition, by improving whistle-blowing systems and strengthening systems for responding to reports, we will create an environment in which those obliged to report do not hesitate to do so. We will also work to tighten disciplinary standards for compliance violations and make the process of their implementation transparent.

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

As described in 1 (1) above, the Company was believed to have fallen into an excessive tendency to place top priority on its share price. In order to recover its share price, the Company presented a vision of its future growth potential with a strong awareness of exceeding market expectations. In the formulation of the medium-term management plan, the Company set profit targets and operating profit ratios based on this vision in a top-down manner. Combined with a corporate culture that places top priority on short-term profits and that focused authority on Mr. Nagamori and prioritized his intentions, the Company assigned each Business Unit and domestic Group company their profit targets, and these became the basis for the business plan formulation. Profit targets set in this way were difficult to achieve and unrealistic, in light of the actual performance and business environment of the Business Units and domestic Group companies, and there was a gap between certain members of the management of the Company and the management of each Business Unit and domestic Group company regarding the rationality and feasibility of the Company's plans and targets. In addition, as the third-party committee also pointed out, the Nidec head office did not necessarily have strong horizontal functions. In light of these circumstances, we will implement the following measures.

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

Each Business Unit and domestic Group company will formulate plans based on an appropriate understanding of the characteristics and business environment of each operation under the direction of company-wide management, rather than setting uniform top-down targets. In addition, the Company aims to strengthen competitiveness and achieve business growth from a medium- to long-term perspective without placing too much emphasis on short-term profits. In order to clearly indicate strategies with concrete effectiveness, such as research & development, the Company will redefine and clarify rules to increase the feasibility of the medium-term management plan to achieve growth. This includes the formulation and verification of plans by Business Units and domestic Group companies in cooperation with not only the CFO and CMO (Chief Marketing Officer), but also with the CDO (Chief Digital Officer) and CTO (Chief Technology Officer), who are officers and employees responsible for cross-organizational functions of the entire Group.

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

We will make it clear that managers in each Business Unit and domestic Group company are responsible not for achieving top-down targets but for formulating and implementing their own

medium-term management plans, which have been approved by the relevant authorities. In addition, we will build a team structure to support such managers and ensure that each Business Unit and domestic Group company formulates a plan after sufficient discussion by the team. At the same time, the Company's secretariat, organized in accordance with regulations, and officers and employees who are responsible for cross-organizational functions of the entire Group will work together with the teams of each Business Unit and domestic Group company and personnel in charge to confirm figures, analyze factors, and verify and discuss strategies and measures. This makes it clear that the Company is responsible for verifying and approving the plans of each Business Unit and domestic Group company and allocating resources and monitoring them while each Business Unit and domestic Group company is responsible for formulating its own plans. In addition, in the process of formulating the medium-term management plan, the Company will broadly gather knowledge from in-house talented human resources and utilize knowledge from outside experts as well so that a reasonable and feasible plan can be formulated.

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

First, the management direction of the entire company, which is positioned at the top of the medium-term management plan, is determined. Then, based on this direction, the teams responsible for the performance of each Business Unit and domestic Group company conduct sufficient strategic discussions to elaborate a reasonable medium-term management plan that is worth taking on the challenge. Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. After these measures are put in place, in order to formulate an effective medium-term management plan based on business strategies in accordance with the defined rules, in fiscal 2026, we will review the plan for up to fiscal 2027 that has already been formulated and formulate a plan for fiscal 2028 and beyond.

Improvement measure	Reorganization of the medium-term management plan formulation process
Department in charge	Office of the President
Regulations subject to maintenance	Medium-term Management Plan Formulation Regulations
Completion date of maintenance	(i) Redefinition and clarification of rules for formulating the medium-term management plan: June 2026 (ii) Establishment of a team structure for examining the medium-term management plan: June 2026

	(iii) Strengthening the medium-term management plan formulation process: June 2026
Start date of operation	(i) Redefinition and clarification of rules for formulating the medium-term management plan: July 2026 (ii) Establishment of a team structure for examining the medium-term management plan: July 2026 (iii) Strengthening the medium-term management plan formulation process: July 2026
Methods of raising awareness	Explain the regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

(2) Reorganization of the business plan formulation process

As mentioned in (1) above, due to excessive emphasis on the Company's share price, the Company's plans and targets were unrealistic, diverging from the actual performance and business environment of the Business Units and domestic Group companies. As this has been causing extremely strong pressure to achieve the targets, the Company has implemented the following measures.

(i) Redefining the rules for business plan formulation

Each Business Unit and domestic Group company will not formulate business plans based on top-down targets. Instead, in accordance with the medium-term management plan formulation process, business plans for the following fiscal year have been formulated as action plans incorporating specific measures, based on strategies and figures verified and formulated in consideration of the characteristics of each Business Unit and changes in market conditions, as well as recent changes in external environments and internal resources. We will implement this policy from fiscal 2026 onward.

For example, there are businesses for which the sales plan for the next fiscal year can be largely forecasted based on the order backlog at the end of the current fiscal year, and businesses for which the sales plan for the next fiscal year changes significantly depending on the monthly market conditions and net sales of customers' products. When formulating a business plan for the next fiscal year, we will focus on considering these differences in business characteristics.

We will also establish a rule to clearly state analyses of external environments such as market fluctuations and competition conditions, growth based on new product plans and market

development activity plans, and invested resources (investment plans, research & development plans, and personnel) at the time of plan formulation and to incorporate such information into the business plan.

Through these improvements, we enhanced the rationality and feasibility of our plans and will shift to a plan formulation method that can better fulfill our accountability to stakeholders. Changes to a plan during the fiscal year shall be made through reasonable discussions after confirming environmental changes and the effectiveness of strategies and measures.

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

As in the formulation of the medium-term management plan, each Business Unit and domestic Group company clarified the person in charge for formulating a business plan, established a team structure to support the person in charge, and formulated a business plan after sufficient discussion by the team. At the same time, Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. With regard to the business plan for each Business Unit and domestic Group company for fiscal 2026, we have formulated an action plan that incorporates specific measures following team discussions in light of recent changes in the external environment and internal resources. The plan was verified by the Company and approved by the Board of Directors. In addition, reflecting the initiatives described in (2) to (4), we have newly established the Business Plan Management Regulations, which serve as the basis for the appropriate operation of formulating future business plans, budget vs. actual performance management, and business evaluations, and have completed the dissemination of the Business Plan Management Policy to each Group company. Furthermore, the formulation of the medium-term management plan process, which forms the basis of business plans, will begin in July 2026 and will be implemented from the business plan for fiscal 2027.

Improvement measure	Reorganization of the business plan formulation process
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and strengthening processes: March 2026
Start date of operation	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and

	strengthening of processes: March 2026
Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

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

At the Company, it is believed that there was excessive micro-management related to the budget vs. actual performance management on the premise of targets and plans that diverged from the actual performance and business environment of the Business Units and domestic Group companies. As a result, extremely strong pressure has been generated at each level, and a corporate culture has been created in which short-term profits are prioritized and not allowing target shortfall. Therefore, the Company implemented the following measures related to the budget vs. actual performance management.

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

At the end of September 2025, we abolished the management system and the performance review meeting, which report monthly forecast values involving the judgment of the business divisions on a daily basis, and shifted to a system that focuses on examining business operations from the following month onward. Furthermore, we have developed business management based on financial accounting figures that do not involve the judgment of business divisions, namely the system that shifts to business performance judgment centered on monthly financial performance values through consolidated adjustments (simplified consolidation) to the extent necessary for business management rather than uncertain monthly expected values. In addition to the estimates for the current month, we will assess the status of the current quarter, the next quarter, and the fiscal year, which have not been reasonably verified and reported until now. However, the purpose is not to give instructions to achieve the targets, but to assess the business situation, make accurate management decisions for the future, and utilize them to improve business performance in cooperation with officers and employees who are responsible for the Company's horizontal functions.

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

In the past, when there was a gap between monthly results and the annual plan, revisions were made by adding the amount of shortfall to the planned values for the following month or quarter, or reallocating the planned values among Business Units or domestic Group companies. Necessary corrections to the planned values were not made properly after the reasons for the shortfalls were analyzed and the measures for improvement were validated.

Based on the Business Plan Management Regulations, which were newly established in March 2026, we have developed guidance that includes specific processes and formats for the budget vs. actual performance management for fiscal year 2026 and have familiarized each Business Unit and domestic Group company with it. Following the April 2026 results, we have established a reporting system under the new operation.

In the future, each Business Unit and domestic Group company will analyze the reasons for discrepancies between monthly results and annual plans, and examine whether these discrepancies are caused by changes in the external environment or changes in internal factors. In addition to examining the scope for recovery in the Business Units and domestic Group companies, we will also review the plan itself during the fiscal year and consider feasible measures such as the optimization of the portfolio by allocating resources to other business areas. In addition, necessary revisions will be reflected in the formulation of the next business plan based on actual results and the external environment. As a result, the Company's management and the management of the Business Units and domestic Group companies will have a common understanding and operate businesses to increase the rationality and feasibility of the plan.

Improvement measure	Optimization of the budget vs. actual performance management process
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Change in performance management values in the budget vs. actual performance management: March 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: March 2026
Start date of operation	(i) Change in performance management values in the budget vs. actual performance management: April 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: April 2026
Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote

	understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)

(4) Review of business evaluation criteria

The Company's corporate culture of prioritizing short-term profits permeated the items and management targets of business evaluations, and business evaluations were conducted with an emphasis on the achievement ratio to the target operating profit. We believe that these business evaluation criteria have created extremely strong pressure and further strengthened the awareness of prioritizing short-term profits. Therefore, we are implementing the following measures regarding business evaluation criteria.

(i) Review of numerical items

In order to improve the quality of management, we changed our current business evaluation criteria, which are biased toward the amount of operating profit, to multifaceted evaluation criteria that include cash flows and balance sheets. This discourages overly severe pressure to achieve profit targets.

(ii) Addition of evaluation items

With regard to financial indicators, the target achievement ratio will be the main business evaluation criterion, and indicators from a medium- to long-term perspective, such as processes that lead to medium- to long-term management improvements, have been added to the business evaluation items. Based on the Business Plan Management Regulations established in March 2026, we have developed guidance on the new business evaluation and have disseminated it to each Business Unit and domestic Group company. By revising these business evaluation criteria, we will prevent extremely strong pressure to achieve short-term profit targets and shift to a management system that contributes to medium- to long term corporate growth.

Improvement measure	Review of business evaluation criteria
Department in charge	Office of the President
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Review of numerical items: March 2026 (ii) Addition of evaluation items: March 2026
Start date of	(i) Review of numerical items: April 2026

operation	(ii) Addition of evaluation items: April 2026
Methods of raising awareness	Explain the regulations and communicate with each Business Unit and domestic Group company to promote understanding.
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(1)(2)

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

(i) Ensuring the independence of the accounting function

In the Group, the CFO of the Company and the CFOs of Business Units and Group companies were held responsible for their own performance and were continuously under intense pressure to achieve performance targets, which gave the accounting department as well as the business divisions an incentive to consider arbitrary accounting practices. In principle, the accounting department is independent from the business divisions and supposed to conduct accounting practices in accordance with the Group Accounting Policy (NIdec global Accounting Policy manual) (a Group Accounting Policy that was established as regulations with the introduction of IFRS in 2017 and is being developed and implemented throughout the group companies, hereinafter referred to as “NIAP”). However, as a result of many accounting departments and business divisions coordinating to achieve profit targets, the accounting department may have expanded the interpretation of the NIAP in a manner that conforms to the wishes of the business divisions, or may have allowed accounting practices that deviate from the NIAP. Therefore, the effectiveness of the second defense line was not sufficiently secured.

In light of these issues, in order to prevent the occurrence of improper accounting practices, we will place top priority on conducting proper accounting practices by ensuring that the accounting function is independent from the business divisions. As part of this, under the Company’s executive officer in charge of accounting, the accounting function was divided into the accounting function responsible for appropriate accounting closing and the business management function responsible for monitoring the implementation of management strategies. In addition, the accounting function of Business Units and domestic Group companies will be under the control of the accounting function of the Company, and the Company will also be involved in personnel matters. In particular, when deciding on the appointment or dismissal of the CFO of a Business Unit or a domestic Group company, the Company’s CFO will check the details in advance and, in the case of dismissal, confirm the appropriateness of the reason. In addition, with respect to personnel evaluations of

persons responsible for the accounting in Business Units and domestic Group companies, the CFO of the Business Unit or domestic Group company shall be obliged to report the results of the evaluation and the reasons thereof to the CFO of the Company, and a system shall be put in place whereby the CFO of the Company can confirm the fairness and appropriateness of the evaluation. Through these personnel processes, the Company will prevent the CFO and the person in charge of accounting at Business Units and domestic Group companies from being unfairly evaluated or dismissed, and ensure that the accounting organization can make appropriate accounting decisions independently from the business division's performance goals and intentions. In this way, we will eliminate the structure in which many of the Group's accounting departments and business divisions coordinate to achieve profit targets.

In addition, we will establish a dual reporting line to ensure that we can report accurate results as an organization regardless of whether we have failed to achieve or exceeded our targets. In particular, the reporting line of the CFO of a Business Unit or domestic Group company shall be the CEO of the organization to which he or she belongs and the Company's CFO. In addition, the reporting line of the accounting manager (most senior accounting professional) of a Business Unit or domestic Group company shall be the CFO of the organization to which he or she belongs and the accounting manager of the Company.

Regarding the above content, the Company has sent a notice to Business Units and domestic Group companies and will proceed with the implementation in the future.

(ii) Securing accounting resources

At the time of the announcement of the improvement plan on January 28, 2026, there were 43 members in the Company's Accounting and Tax Department, which is responsible for the accounting function (including 14 from the Consolidated Accounting Group), and 14 members in the Corporate Management Department, which is responsible for the business management function. Although we now have more than 300 Group companies as a result of active M&As, we have not increased the number of employees in the accounting function correspondingly. In addition, with the high turnover rate of mid-level accounting employees, mainly caused by long working hours due to increased workload during peak seasons and anxiety over future careers, we have not successfully recruited high-quality replacement human resources in a timely manner to keep pace with such turnover, resulting in a chronic shortage of accounting personnel in terms of quantity and quality. To respond to this, we will strengthen the personnel resources of the Consolidated Accounting Group of the Accounting and Tax Department in particular. Specifically, we will increase the number of employees in the Consolidated Accounting Group by about five to six people through personnel relocation, including from Business Units and domestic Group

companies. This will strengthen the Company's control over Business Units and domestic Group companies and ensure high-quality accounting closing. In addition, we will abolish excessively early disclosure of financial results to ensure the quality of financial closing, and give priority to ensuring sufficient time for review or check.

However, for the time being, personnel will be allocated to the implementation of improvement measures and the response to the current accounting closing. Therefore, as an immediate response to ensure accounting closing quality, we have established an accounting and financial closing response system that utilizes external specialized human resources, and the actual consolidated accounting and financial closing is also proceeding with the involvement of external resources. This complements accounting closing operations and review functions, which are difficult to handle only with our human resources, and also aims to ensure accounting and financial closing quality based on objective external knowledge. On the other hand, we are continuously reinforcing our human resources through recruitment, including hiring new graduates. In addition, we will gradually promote in-house appointments and self-reliance based on the development of the accounting personnel under the guidance of the external experts over the next one to two years. At the same time, we will implement measures to consolidate and streamline the accounting operations. Specifically, we will implement reforms in accounting processes, including the upgrade of existing systems and the introduction of new EPM tools. At the same time, we will consider the adoption of a shared services model and outsourcing, and reduce the overall burden of administrative functions associated with the decrease in the number of group companies due to group reorganization.

In addition, in response to future career concerns, we will present career paths for accounting staff and work to prevent mid-career turnover by implementing measures such as job rotation based on future careers and reassignment through open recruitment.

(iii) Awareness raising and education on accounting

In addition to reviewing the organizational structure to differentiate functions, we recognize that it is most important to raise awareness of the accounting departments of the Company, Business Units and domestic Group companies as an independent second defense line with specialized accounting expertise in order to conduct appropriate accounting and financial closing. In addition, in light of the fact that the recognition that appropriate financial reporting is the foundation of the trust relationship with the capital markets and the attitude of maintaining a constructive and sincere relationship with the accounting auditor were not sufficient within the Company, the Company believes that it is necessary for the accounting department to act with expertise and professional skepticism, and to establish an awareness and behavior pattern that can properly exercise a check function within the organization against inappropriate decisions. To this end, by continuously

implementing training to raise awareness of the accounting department, we aim to raise the awareness of the accounting department members of the Company, Business Units and domestic Group companies so that they can inspire each other and take pride in their work.

This Issue was not a problem unique to the accounting department. We recognize that it was caused by a lack of awareness and sensibility toward company-wide financial reporting. For this reason, based on this Issue, we will conduct educational training for all departments beyond the accounting department, including awareness-raising for the prevention of recurrence, and thoroughly disseminate the information, with the aim of deepening understanding of the impact of improper accounting on corporate values and stakeholders, as well as how the decisions and actions of each division affect the appropriateness of financial reporting.

Specifically, for example, we will use e-learning and such content as a level-specific training, a new hire training for mid-career recruits, and a continuous training, and expand it within the Group.

In this regard, in March 2026, the President issued a message to all employees to raise awareness of the Company's basic stance on compliance and the need to respond sincerely to investors, markets, and other stakeholders and to ensure accurate financial reporting. In addition, an e-learning program was held for about 12,000 senior management, officers and employees engaged in accounting, and officers and employees engaged in purchasing, production management, and sales to ensure a sincere attitude toward investors and markets, ensure accurate financial reporting, and raise understanding and awareness of compliance. In particular, participants deepened their understanding of the background to the improper accounting and its social impacts. Using an actual improper accounting issue as a theme, they learned in a case study format about the signs of financial and accounting closing risks that should be recognized in the field and the appropriate actions required when they are identified. We believe that this will contribute to the thorough implementation of sincerity toward investors and the market as proposed by the third-party committee.

(iv) Strengthening accounting governance

We are aware that we had a problem that the check function for all group companies, numbering more than 300, was not sufficient. Based on the experience of the accounting voluntary inspection, we are building relationships for efficient and effective communication among the Company, Business Units, domestic Group companies and their subsidiaries. We will certainly implement measures such as the development of the NIAP in the future.

In addition, we have established a new process for reporting information from each Group company to the Company on risks that may occur in the accounting closing of Group companies from the financial results for the fiscal year ended March 31, 2026. This will make it possible for the Company to grasp and manage risk information, such as significant impairment in accounting and accounting closing of each company in an integrated manner. Then, the Corporate Management Department, which is responsible for business management functions, comprehensively analyzes risk information gathered through this new process, including changes in the business environment and financial information, and appropriately evaluates whether the initial business plan and investment plan were highly feasible based on the actual situation on the ground. It also works to share information with the Accounting and Tax Department. In addition, the Company's CFO shares important risk information on accounting and accounting closing with the Executive Management Meeting and the Board of Directors in a timely manner. Also, the Company's CFO will analyze and respond from a Group-wide perspective and hold regular meetings with the CFOs of the Business Units and domestic Group companies to strengthen cross-organizational functions. In this regard, since we have clarified a unified operational policy for the entire Group, we will promote the implementation in the future.

Furthermore, given that it is essential to provide appropriate and transparent information to the accounting auditor as a prerequisite for honest financial reporting to investors and markets, we will share important accounting and accounting closing risk information with the accounting auditor in a timely manner. This ensures that information that could affect important decisions in audits is communicated to the accounting auditor in a comprehensive and timely manner.

As a result, we will further enhance the accounting governance of the entire Group, leading to the prevention and early correction of improper accounting practices.

Improvement measure	Ensuring the independence of the accounting function from the business divisions
Department in charge	Accounting and Tax Department, Corporate Management Department, Human Resources Department
Regulations subject to maintenance	Division of Duties Regulations, Accounting Regulations, Human Resource Development Regulations, Affiliated Company Management Regulations
Completion date of maintenance	(i) Ensuring the independence of the accounting function: March 2026 (ii) Securing accounting resources: March 2026 (iii) Awareness raising and education on accounting: March 2026 (iv) Strengthening accounting governance: April 2026
Start date of operation	(i) Ensuring the independence of the accounting function: April 2026 (ii) Securing accounting resources: April 2026 (iii) Awareness raising and education on accounting: April 2026 (iv) Strengthening accounting governance: May 2026

Methods of raising awareness	Establishment or change of regulations, internal notification, company portal
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (reference)	(4)(5)(6)

(6) Clarification of accounting policies and proper operation

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

The NIAP, which is the Group Accounting Policy, stipulates rules and definitions in accordance with IFRS, as well as some guidelines and exceptions for certain accounting treatments. However, because the NIAP does not sufficiently describe specific judgment criteria based on business characteristics, there was room for one to interpret the NIAP more broadly or in a way that deviates from it. Specifically, there was a mechanism for applying to the accounting department to have the selected accounting policy approved (hereinafter referred to as “request for exception”) for an accounting treatment that cannot be uniquely determined only from the description in the NIAP. In response to this situation, improvements have been made, such as integrating the approval process for request for exception into the approval of the executive officer in charge of accounting at the Company. However, in the past, there were cases where a request for exception itself was omitted and accounting was handled according to accounting policies without approval of the executive officer in charge of accounting at the Company. There were also cases where a request for exception was raised immediately before or after the accounting and financial closing. There were also cases where individual accounting rules were established as notices but were not reflected in the NIAP. In this way, in the past, individual response related to accounting practices became the norm, and the operation of the NIAP and notifications was not actually working.

In addition, although the NIAP has been applied to group companies acquired through M&As, it had not been sufficiently spread, and the review and correction of the reporting package (a report form entered by each company to collect financial information in the consolidated accounting system) was insufficient due to the pressure to disclose financial results excessively early amid the chronic shortage of accounting personnel.

In light of these issues, we will first collect and analyze the problems based on this Issue and review the NIAP itself by clarifying rules and definitions. In addition, in order to reflect the rules necessary for making specific decisions in accordance with the actual business situation in the NIAP, we are promoting interviews with Group companies on business conditions. From the financial results for

the fiscal year ended March 31, 2026, we have abolished requests for exceptions, which had been a factor in making the NIAP ineffective.

(ii) Development of Group Accounting Policy

We will ensure that all group companies, including those acquired through M&As, are fully aware of the NIAP. Specifically, the revised NIAP will be shared with all Business Units and domestic Group companies via notices and will also be posted on NIAPO (Nidec Accounting Portal), the intranet used by the members of the accounting department of the Company.

In addition, we will continue to provide guidance on the strict application of the NIAP when issuing notices to Business Units and domestic Group companies on topics of quarterly financial results and points of attention in financial results.

(iii) Declaration of compliance with Group Accounting Policy

In view of the fact that the review and correction of the reporting package were insufficient, we will introduce a system in which before submitting the reporting package, a checklist will be created and used for the accounting issues identified by the accounting department of the Company based on the results of the self-assessment of accounting in this Issue, and the accounting staff and managers of the Business Units and domestic Group companies will submit to the accounting department of the Company declarations of compliance with the NIAP.

(iv) Review of Business Units and domestic Group companies

We will strengthen the supervision of the accounting departments of Business Units and domestic Group companies by having the accounting department of the Company regularly review whether the accounts of each Group company are properly settled. In practice, we plan to efficiently implement the review, including setting the unit of review as the unit of Business Unit or the unit of sub-consolidation (reporting by entering the consolidated financial statements of the subsidiary group in the reporting package). The review of each Group company will be categorized based on the significance of the company size and the actual condition of this Issue, and subsequently the timing, frequency, and depth of procedures will be determined.

Improvement measure	Clarification of accounting policies and proper operation
Department in charge	Accounting and Tax Department, Human Resources Department
Regulations subject to maintenance	Accounting Regulations
Completion date of maintenance	(i) Review of the Group Accounting Policy and abolition of request for exception: June 2026 (Abolition of request for exception: March 2026) (ii) Development of Group Accounting Policy: June 2026 (iii) Declaration of compliance with Group Accounting Policy: June 2026

	(iv) Review of Business Units and domestic Group companies: August 2026
Start date of operation	(i) Review of the Group Accounting Policy and abolition of request for exception: July 2026(Abolition of request for exception: April 2026) (ii) Development of Group Accounting Policy: July 2026 (iii) Declaration of compliance with Group Accounting Policy: July 2026 (iv) Review of Business Units and domestic Group companies: September 2026
Methods of raising awareness	Company portal, global meetings, visits/explanations to group companies
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (reference)	(4)(5)(6)

(7) Reform of the corporate culture

As stated in the third-party committee’s investigation report, authority was concentrated on Mr. Nagamori in our Group. In addition, his influence within the Company was extremely large, and it was easy for the philosophy and attitude emanating from Mr. Nagamori to permeate to all employees. Many posters expressing Mr. Nagamori’s philosophy were displayed at our sites, and “The Challenging Road” was read in the morning. All employees were exposed to Mr. Nagamori’s philosophy and attitude on a daily basis. In this corporate culture, we believe that we created a culture in which opinions could not be expressed, by suppressing opinions that conflicted with and objections to Mr. Nagamori’s philosophy and attitude.

After the establishment of the third-party committee, we became aware of the above issues, and on September 16, 2025, the President sent out a message, in which he stated that “the idea of making regulatory compliance the top priority is indispensable” and that “I will do the right thing together and with the same feelings with our employees” and requested employees to speak up. Furthermore, on November 19 of the same year, the President again sent out a message to all employees, in which he said, “I will be the main character who thinks and acts independently to make the Company a place where employees can work comfortably and have pride.” He also mentioned that he would like employees to consult with executive officers, continuously calling from the top for the expression of opinions by employees. At the same time, we collected a wide range of opinions, including those from domestic Group companies, at meetings that have been held in the past between representatives of labor unions and other employee organizations of the Company and the domestic Group companies and the Human Resources Department of the Company.

In the future, we will continue to implement the following measures in cooperation with each company, location, and employee to create a new organizational culture, grasp the actual situation through the collection of opinions, and implement improvement measures.

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

In the past, measures related to corporate culture reform and the collection of employee opinions were conducted through Shinbokukai (the Company's employee representative organization), and the Human Resources Department was in charge of coordinating with related departments and submitting proposals to management. However, there were cases in which the opinions of employees were handled without going through an appropriate review process, before sufficient clarification of issues or consideration with related departments. For example, the employment and evaluation systems were considered the exclusive rights of certain executives, and there was a silent understanding of this within the Human Resources Department. As a result, there were cases in which, even when employees made recommendations to revise work systems and evaluation systems, the Human Resources Department determined that there was a high possibility that it would not ultimately be accepted by management, and they would refrain from making or escalating proposals. In addition, there were cases in which proposals for the expansion of employee welfare programs and the development of a comfortable working environment were rejected by the relevant department heads and others and were not escalated on the grounds that these measures would increase costs and put pressure on business performance. In this way, in the past, there was a situation in which there was not enough consideration and reporting to fulfill the opinions of employees.

These issues were not solely caused by the response attitude of a specific department. In addition to the fact that the division of roles and the framework for decision-making regarding the handling of employee opinions were not sufficiently institutionalized, it is considered that the factor was the "culture of not being able to speak up," which tends to give priority to the intention of superiors and refrain from expressing opinions. Therefore, in order to strategically and flexibly promote corporate culture reform and improve the transparency and speed of the decision-making process, on February 1, 2026, a new organization, Culture Transformation Lab, was established directly under the control of the Chief Human Resource Officer (CHRO). The new organization is headed by a person who has been responsible for product development and human resources at a Group company and the person who served as the President of Shinbokukai, who is also relatively junior, serves as a full-time team leader. By establishing the new organization, we will ensure that the

opinions of employees are conveyed to management, and build a system to obtain prompt decision-making, reflect them in policies, and implement measures continuously and stably.

Since the establishment of the Culture Transformation Lab, they have held regular meetings with the CEO and CHRO, regular meetings with Group companies, and regular meetings with the Shinbokukai and Group companies' labor unions to gather opinions. In addition, measures considered by the Culture Transformation Lab are published on the Company's portal site "NiDEPO," where the status of consideration and the direction of response are updated in order and shared so that employees can understand the status of response to opinions received from employees, and the procedures for handling employee opinions are made more transparent.

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

The management philosophy of Mr. Nagamori, the Company's founder, has had a major impact on our corporate culture to date. Mr. Nagamori's management philosophy has been effective in rallying and uniting employees under his strong leadership. However, through the morning readings of "The Challenging Road" and instructions from Mr. Nagamori at morning meetings and other occasions, the message that "those who make profits are most valued" has been repeatedly shared. As a result, there is no denying that a culture in which making profits takes precedence over anything else has taken root within the organization.

In order to review the impact of Mr. Nagamori's management philosophy, we stopped reading "The Challenging Road" in the morning and removed internal notices (posters, etc.) that strongly reflected Mr. Nagamori's values and intentions at all sites in Japan and overseas. We believe this will be a step toward "breaking away from being 'Mr. Nagamori's company'" suggested by the third-party committee.

On that basis, the Company will hold a learning program for executive officers and managers at major Group companies in Japan and overseas to promote employees' understanding of the direction the Company should take in the future and the corporate culture reform initiatives centered on the new organization, the Culture Transformation Lab, and to instill a common understanding of the "correct image" that will form the foundation of the Company's ideal image and lead to behavioral change.

The content of the learning program will include management's message on the reform of the corporate culture, the actions required of each employee as the "correct image," such as acting sincerely both inside and outside the company, the conditions necessary to create a "culture in which people can share their input without hesitation," and the measures implemented by the Culture Transformation Lab to achieve them.

Through the above measures, we aim for managers to understand the impact of their own actions, organizational structure and management style on the creation of a culture of silence among employees, and to improve it, encourage subordinates and members to speak out, accept issues raised, and practice management that leads to necessary responses. In addition, we aim for the executive officer layer to recognize corporate culture reform as an important management issue and take the initiative in showing and practicing desirable actions. Executive officers are also expected to continuously communicate messages and develop systems so that they can sincerely accept and appropriately respond to employees' opinions.

(iii) Create opportunities for dialogue with employees

As mentioned above, our strong top-down approach to communication led to culture of silence among some employees. In addition, there were not enough opportunities to share opinions or to think about and discuss the organizational culture. In order to familiarize not only the Company but also each base in Japan and overseas with the existence of the Culture Transformation Lab, which was launched as an organization to transform this, and to create a forum for the Culture Transformation Lab to convey opinions, the Company will conduct communication through workshops and interviews at major bases, town hall meetings in which management participates, etc.

The purpose of the workshops and on-site interviews is to inform employees as to the purpose of the Culture Transformation Lab and to directly collect opinions from local employees on issues in our corporate culture, our ideal state, and proposed measures, leading to the examination of specific measures to reform the corporate culture. At the same time, in addition to creating a place for participants to share opinions and deepen mutual understanding, we have established a system that allows them to think about the corporate culture and exchange opinions and discuss desirable forms and actions. As of the end of April 2026, we held workshops and interviews at 6 companies in Japan, including the Head Office in Japan, and 10 companies overseas, and we will continue to hold workshops and interviews in the future and strive to gather direct opinions from employees.

We also believe that the commitment of management is essential to reforming the corporate culture. To this end, management will visit sites in Japan and overseas to convey their own intentions for reform and hold town hall meetings to listen to the voices of frontline employees.

The opinions expressed to management at the town hall meetings will be collected and used to consider measures in the same way as the opinions collected in workshops. Depending on the details of the measures, the Culture Transformation Lab will take advantage of regular meetings with the

CEO and CHRO to obtain approval as appropriate to make swift decisions and promote initiatives to realize them with the cooperation of related departments.

In addition, the status of the consideration and implementation of measures will be regularly posted on the portal site “NiDEPO,” so that employees can understand how opinions are considered and reflected.

Improvement measure	Reform of the corporate culture
Department in charge	Culture Transformation Lab
Regulations subject to maintenance	-
Completion date of maintenance	(i) Establishment of a new organization to promote corporate culture reform: February 2026 (ii) Conduct a corporate culture learning program based on employee level: June 2026 (iii) Create opportunities for dialogue with employees: February 2026
Start date of operation	(i) Establishment of a new organization to promote corporate culture reform: February 2026 (ii) Conduct a corporate culture learning program based on employee level: July 2026 (iii) Create opportunities for dialogue with employees: February 2026
Methods of raising awareness	(i) Publication on company intranet and website and on-site visits (ii) Company intranet (iii) On-site visits
Frequency of implementation	(i) - (ii) - (iii) Two to three times a month
Monitoring status	-
Cause item number (reference)	(2)

(8) Restructuring the group governance system

Previously, the Company did not have a system in place that allowed for a comprehensive and systematic understanding of the companies under its Group umbrella from a supervisory perspective. It also did not clarify the basic principles for supervising Business Units or domestic Group companies, or the organizations and legal entities under them.

As a result, the management responsibilities of each Business Unit and domestic Group company for their subsidiaries became ambiguous, and horizontal supervision by the second line divisions (organizations that provide management functions in the Company and each region) was weak.

There were also variations and omissions in the level of control and procedures across the Group companies.

In light of the fact that governance in the Group has not been systematically developed and therefore has not been functioning sufficiently, the Group will implement the following measures with the aim of restructuring the group governance system.

Formulation and development of a Group Governance Policy

As mentioned above, the Company did not have clearly stated basic principles for supervising each Business Unit, domestic Group company, and the organizations and legal entities under them.

Going forward, we will formulate a Group Governance Policy as a set of basic principles that present our approach to governance that applies to the entire Group, and will develop and disseminate it throughout the Group. Specifically, the Company will formulate and develop a Group Governance Policy that includes the following perspectives.

- A Business Unit or domestic Group company is responsible for the management and supervision of its affiliated organizations and legal entities.
- The second line divisions (organizations that provide management functions in the Company and each region) are responsible for and have the authority to introduce a certain level of supervisory and check functions necessary to conduct proper business in the Business Units, domestic Group companies, and the organizations and legal entities under them.
- Business Units, domestic Group companies, and the organizations and legal entities under them shall comply with the Company's rules for prior approval and subsequent reporting, which are specified separately, regarding important decisions, etc.

Improvement measure	Restructuring the group governance system
Department in charge	Office of the President
Regulations subject to maintenance	Group Governance Policy
Completion date of maintenance	Formulation and development of a Group Governance Policy: June 2026
Start date of operation	Formulation and development of a Group Governance Policy: July 2026
Methods of raising awareness	Announcement and communication of the Group Governance Policy to each organization and corporation
Frequency of implementation	-
Monitoring status	Results of dissemination of the Group Governance Policy (content of reports at meetings of each organization and corporation, etc.)

Cause item number (reference)	(5)(6)
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(9) Enhancement of compliance education

Under excessive pressure, it seems that within the Company a corporate culture in which some officers and employees give strict instructions to group companies to achieve profit targets, and officers and employees of group companies, etc. who repeatedly receive such instructions give top priority to achieving short-term profit targets has been nurtured. Therefore, it is important to foster an awareness that compliance is a major prerequisite for business activities and is the top priority. The Company will implement the following measures.

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

In the past, when new employees joined the Company, emphasis was placed on education regarding the Company's thinking toward corporate growth and the Company's unique manners required for performing internal work. In addition, although face-to-face compliance learning program was conducted when new graduates joined the Company, in the learning program for new managers, only listening to materials in which audio was inserted into PowerPoint materials was conducted. In addition, compliance learning program itself was not conducted for mid-career recruits.

Therefore, since January 2026, we have been providing a face-to-face or an online compliance learning program for mid-career employees who join the Company every month. In addition, we will conduct a face-to-face or an online compliance learning program in the learning program for new managers in fiscal year 2026.

Learning program content for mid-career hires includes communication of messages from the Board of Directors and the President, and explanations of the Nidec Group's global compliance system, regulations, and systems (including anti-bribery, whistle-blowing systems, and trade management), introducing past examples of improprieties within the Nidec Group (inappropriate accounting, harassment, etc.), and future initiatives such as corporate culture reform. The aim is to deepen understanding of the Nidec Group's global compliance system, etc., and to foster an awareness of compliance as a personal matter in order to avoid committing a compliance violation or causing anyone else to do so.

In addition, for Vice Presidents of the Company and executive officers of the domestic Group companies, we will make use of the gathering learning program held around February every year to disseminate and thoroughly implement compliance so as to foster an awareness of compliance as the top priority. In the FY2025 collective learning program (held on February 10, 2026), we conducted a compliance learning program based on the FIR Issue by experts in international trade

law and customs law who were commissioned to investigate the FIR Issue. All 112 individuals attended this program.

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

In March 2026, with the aim of preventing the recurrence of inappropriate actions in each department, including Group companies related to the improper accounting, an e-learning program was held for about 12,000 executives and officers and employees engaged in accounting, purchasing, production management, and sales to implement a sincere attitude toward investors and markets, ensure appropriate financial reporting, and improve their understanding and awareness of compliance, using an actual case of improper accounting as a topic.

In addition, with the aim of continuing to maintain compliance awareness throughout the Group, from around July 2026, we will inform our employees of the background, causes, lessons learned, etc. of this Issue through online compliance education based on this Issue. We believe that this will also contribute to the thorough implementation of sincerity toward investors and the market, as proposed by the third-party committee.

Improvement measure	Enhancement of compliance education
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Enhancement of compliance education for new hires and regular learning program: March 2026 (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: July 2026
Start date of operation	(i) Enhancement of compliance education for new hire and regular learning program: April 2026 (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: July 2026
Methods of raising awareness	(i) Company intranet (ii) Compliance training based on this issue
Frequency of implementation	(i) Enhancement of compliance education for new hires and regular learning program: Regular learning program at least once a year (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: Incorporate it in the online learning program throughout the Group
Monitoring status	-
Cause item number (reference)	(2)

(10) Review of personnel evaluation system

In 2020, we revised our personnel evaluation system for employees with the aim of creating a strong company and organization with a thorough focus on actual capabilities and results and a constant sense of tension. Before the revision, the “Performance Evaluation,” which evaluates the degree of achievement (results) toward individual goals, and the “Nidec Way Behavior Evaluation,” which evaluates the degree of implementation of expected behavior based on the Nidec Way Code of Conduct, were separate evaluation items. However, they have been integrated into a “Comprehensive Evaluation,” which comprehensively evaluates the degree of contribution to the organization. As a result, the system has been changed to place greater emphasis on the contribution to the organization’s performance, even with the same degree of achievement. In addition, the Company has made it mandatory to assign high and low ratings within strict regulations on relative evaluations, and has set a maximum fivefold difference in the amount of bonuses between high- and low-rated employees at the general manager level. Similar systems have been introduced in stages at Japanese subsidiaries in the Nidec Group. Furthermore, while the Company repeatedly shared the message that “those who make profits are the most appreciated,” there was insufficient learning program regarding the personnel evaluation system for evaluators, and due to lack of understanding of the personnel evaluation system by evaluators, the Company fell into a situation where it was not being operated appropriately. As a result, the Company believes that the corporate culture of prioritizing short-term profits has been strengthened, and the awareness of overemphasizing business performance has been promoted.

Therefore, we will implement the following measures from the perspective of the personnel evaluation system, with the aim of correcting the awareness of prioritizing short-term profits and instilling an awareness and corporate culture of always prioritizing “what is right.”

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

In addition to the current evaluation items of “short-term results,” “results that lead to the future (structures and processes),” and “results that lead to the future (strengthening of human resources),” “organizational management (human resources development, capability development, organizational development)” has been added as a goal setting item for managers from a compliance perspective, and it has been implemented since April. In this way, the Group will thoroughly set targets to take correct actions from a compliance point of view. At the same time, we are gradually reviewing the current system that may have promoted short-term results based on strict regulations on relative evaluations and wide disparities in compensation. In fiscal 2027, we will add a behavior evaluation in line with the purpose and values to be newly formulated. We will continue to improve the evaluation system so that it will lead to the growth

of both employees and the organization, so that employees will want to continue working in the Nidec Group.

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

In order to promote understanding of the human resources evaluation system, on April 1, 2026, the Company revised the handbook that organizes evaluation perspectives and target-setting methods. In addition, to ensure the proper operation of human resources evaluations, a briefing session for all employees of the Company was held in March 2026 and a target-setting learning program for managers of the Company was held in April. Furthermore, briefing sessions for employees and target-setting learning programs for managers will be held in April at domestic Group companies.

To continuously check whether human resources evaluations are conducted appropriately after the completion of such evaluations, the Company established a monitoring mechanism using questionnaires, etc. Based on the results, the Company will consider and implement improvements to the systems and operation methods as necessary.

Moreover, based on the evaluation results, if a compliance violation or unethical behavior is revealed, the Company will implement measures, such as using the information as a basis for making decisions on the assignment and promotion of the relevant employees and providing educational training opportunities for the relevant employees and reviewing the relevant HR systems.

Improvement measure	Review of human resources evaluation system
Department in charge	Human Resources Department
Regulations subject to maintenance	Human Resources Evaluation Rules
Completion date of maintenance	(i) Setting targets other than performance, and thorough evaluation: March 2026 (ii) Implementation of measures to improve understanding of the system: March 2026
Start date of operation	(i) Setting targets other than performance, and thorough evaluation: April 2026 (ii) Implementation of measures to improve understanding of the system: April 2026
Methods of raising awareness	Internal notice and human resources evaluation learning program
Frequency of implementation	(i) - (ii) Twice a year: Before evaluation (April and October)
Monitoring status	Checked by Human Resources Department based on evaluation results
Cause item number	(2)

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

At the Company, due to the concentration of authority on Mr. Nagamori, there were cases in which the intention of Mr. Nagamori was prioritized in making important decisions, and material risk information and the status of the progress of the business plan were not sufficiently communicated to the Board of Directors and the Audit and Supervisory Committee. Thus, the concentration of authority on Mr. Nagamori had an adverse effect on the supervisory functions of the Board of Directors, etc.

Looking at the composition of the outside directors, academic experts and former government officials were the main members, and it was not necessarily a composition in which consideration could be conducted from a more multifaceted perspective with a background of diverse expertise, including individuals with experience in managing listed companies and accounting experts.

As described above, it is difficult to say that the Company was in a system in which the checks and balances by the Board of Directors and the Audit and Supervisory Committee function sufficiently, and rather, it could be said that the governance was weak. In light of this, the Company will implement the following measures.

Moreover, after retiring as Representative Director in December 2025, Mr. Nagamori also resigned as Chairman Emeritus in February 2026 and resigned from all positions at the Company. Mr. Nagamori will no longer be involved in the management of the Company. As a shareholder of the Company, Mr. Nagamori will be treated equally with other shareholders.

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

Although the Board of Directors' Regulations stipulate the "compilation of annual business plans" as a matter to be submitted to the Board of Directors, in fact, there were cases where business plans were not submitted to the Board of Directors at the time of formulation. As a result, the Board of Directors was unable to confirm or discuss the appropriateness of the target setting.

As pointed out in the third-party committee's investigation report, there are certain limitations on outside directors' ability to judge the appropriateness of the details of individual businesses and business plans. However, revealing the business plan formulation process to outside directors can

effectively function as a deterrent to a certain extent against top-down target setting and the formulation of plans that are extremely difficult to achieve.

In the future, the Board of Directors will supervise the business plan and performance targets, focusing on the rationality of the assumptions on which the plan is based, the appropriateness of risk recognition, and the soundness of the review process for setting targets. The Company will work to improve the effectiveness of the supervisory function regarding the appropriateness of performance targets.

In addition, the Board of Directors will regularly follow up on the progress of the business plan and discuss the necessity of revising the targets.

To be more specific, in order to formulate the business plan and follow up on the progress of the plan, we revised the Board of Directors' Regulations in March 2026. In addition to organizing the matters to be discussed by the Board of Directors related to the business plan, we formulated the "Board of Directors Deliberation Schedule" with the approval of the Board of Directors and established a mechanism for deliberating the business plan in Board of Directors Meetings.

Furthermore, based on the opinions from outside directors that the information provided to the Board of Directors in formulating the business plan was only abstract and that more specific information should be provided, in the future, when discussing the business plan formulation at Board of Directors Meetings, the Company will not only present a numerical plan, but will also require the executive side to clearly explain (a) the assumptions of the business plan, (b) the growth scenarios that are the pillars of the business strategy, and (c) information on uncertainties that may cause deviations in the business plan, including the review process. We believe that this effort will lead to the improvement of the information that the outside directors receive and contribute to "strengthening of the functions of outside directors" proposed by the third-party committee.

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

Previously, the Board of Directors Regulations did not clearly specify the requirement that material risk information reported to the Board of Directors include misconduct or compliance violations, with the exception of "important business lawsuits" and "important business disputes." Material risk information was not sufficiently reported to the Board of Directors, including outside directors, and as a result, it was not sufficiently deliberated. For example, the Risk Management Committee and the Compliance Committee reported to the Board of

Directors once a year. However, these reports only provided a general overview of the Group's policies and activities, and there was no discussion on specific risk information.

We recognize that the quality of information provided to the Board of Directors is also important, but we have not been able to secure sufficient opportunities for outside directors to be exposed to high-quality information in the past, such as opportunities to share issues from the second- and third-line divisions and opportunities to exchange opinions with on-site representative-level employees.

In the future, we will clearly define the definition of material risk information that should be reported to the Board of Directors and the criteria for determining the necessity of reporting and review the Risk Management Regulations and Crisis Management Regulations. We will establish a system to ensure that material risk information is reported to the Board of Directors by stipulating in the Board of Directors' Regulations that if a material risk information that should be reported to the Board of Directors is detected in the risk information grasped by the Risk Management Committee, the Compliance Committee, or the Chief Compliance Officer (CCO), the relevant material risk information will be reported to the Board of Directors.

Moreover, based on the recommendations from the third-party committee, information on important risks identified by the second- and third-line divisions will be shared with outside directors in forums where outside directors regularly exchange opinions with the second- and third-line divisions, and we will thereby promote substantive discussions. In relation to this, we will develop a mechanism for reporting important risk information identified by budget vs. actual performance management and performance analysis and the accounting department (CFO line) to the Executive Management Meeting and Board of Directors.

Furthermore, given that the third-party committee and outside directors have pointed out that it is important to enhance opportunities to exchange opinions with the execution side, in order for outside directors to more specifically grasp the actual status of the risks and issues faced by the Company, we will promote the enhancement of an environment that will make it easier for outside directors to obtain the information they need in a timely manner, such as by creating opportunities for outside directors to exchange opinions with on-site employees.

In parallel with strengthening the supervisory functions of the Board of Directors, we will also review the nature of the Executive Management Meeting. The Executive Management Meeting will serve as a venue to comprehensively discuss important operational risks and management issues. In addition, considering how outside directors expressed the view that it is important to share the risks discussed in Executive Management Meetings with the Board of Directors, and

that such sharing would be useful for enhancing the Board of Directors' monitoring functions, the results of the discussions in the Executive Management Meeting will also be shared with the Board of Directors to make enforcement more transparent and disciplined. The Company will also ensure that the Audit and Supervisory Committee members are able to attend Executive Management Meetings as observers, and utilize this as an opportunity to directly grasp the status of deliberations on the executive side and important risk information.

We believe that improving the quality of information that the outside directors receive through these efforts will contribute to the "strengthening of the functions of outside directors" proposed by the third-party committee.

In addition, the Company has decided to regularly provide opportunities for outside directors to exchange opinions for the purpose of improving the effectiveness of supervision by ensuring the outside directors are aware of material risk information, etc.

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

With regard to the provision of information from the Corporate Administration & Internal Audit Department to the Audit and Supervisory Committee, previously, only reports on the results of internal audits concerning J-SOX (once a year) and reports on important matters (such as reports on the results of special investigations ordered individually) were made on a case-by-case basis. In addition, regular meetings were held with the accounting auditor, including reviews of the results of annual audits. While communication between the Audit and Supervisory Committee and Corporate Administration & Internal Audit Department and between the Corporate Administration & Internal Audit Department and the accounting auditor was taking place, there was not sufficient regular communication among the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and the accounting auditor, where all three parties were present.

In the future, the Corporate Administration & Internal Audit Department will regularly report to the Audit and Supervisory Committee on the results of internal audits (details of audits, summary of results, major findings, etc.) (four times a year; the most recent report was made in the Audit and Supervisory Committee meeting held on April 22, 2026), and the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and accounting auditor will hold regular meetings to exchange opinions (four times a year; the most recent meeting was held on April 22, 2026) for the purpose of sharing control issues, etc. In addition, as part of the Audit and Supervisory Committee audits (operational audits), we will strengthen the exchange of opinions with the Members of the Board of Directors and Vice

Presidents (exchanged opinions with the CLO on February 7, and most recently with the Acting CFO on April 4, 2026), and expand opportunities for the Audit and Supervisory Committee to understand operational risks. In particular, we believe that holding an exchange of opinions among the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and accounting auditor will lead to the development of a system in which outside directors who are Audit and Supervisory Committee Members can cooperate with internal and external supervisory and check-and-balance functions, and contribute to the “strengthening of the functions of outside directors” proposed by the third-party committee.

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

Previously, the outside directors of the Company were composed of academic experts, former government officials and lawyers, and those with experience in management of listed companies or accounting experts were not selected. In this regard, in order to better understand the risks associated with setting targets that are difficult to achieve, the risks of accounting fraud and other risks, it is desirable to appoint an outside director with diverse expertise, including those with management experience and accounting experts. In addition, no director in charge of administration had been assigned among the internal members of the Board of Directors, and it was not possible to raise the issue sufficiently from the risk management side.

Therefore, the Nominating Committee has clarified the requirements for the composition of the Board of Directors to ensure that the Board of Directors is capable of exercising the supervisory function from a wider perspective. Specific requirements for the composition of the Board of Directors include, in the case of an outside director, consideration of the appointment of professionals with diverse expertise, including those with experience in management of listed companies or accounting experts, etc., and in the case of an internal director, consideration of the appointment of a Vice President in charge of administration, for example, a CFO, etc. In the future, we will promote candidate selection based on these requirements.

(v) Enhancing the system to support outside directors

From the perspective of creating an environment in which outside directors can obtain the information they need in a timely manner and make decisions based on key points, we will strengthen the functions of the Secretariat of the Board of Directors so that management issues and important risk information discussed by the Executive Management Meeting can be examined and reliably shared with the Board of Directors.

In addition, as part of our support function for outside directors, we will improve the environment including the Secretariat of the Board of Directors serving as a contact point for accessing outside experts when outside directors request the use of outside experts.

Moreover, outside directors proposed that, in addition to environmental improvements such as the strengthening of the Board of Directors Secretariat, the Company should provide information and lectures from the execution side upon outside directors' appointment (such as the provision of information on significant misconduct in the past, material risk issues that currently exist, and the status of the Company's internal controls). In response, the Company will consider providing such information from the execution side as support when outside directors assume office.

By providing the necessary support for outside directors' activities through these efforts, we believe that we will contribute to the "strengthening of the functions of outside directors" proposed by the third-party committee.

Improvement measure	Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee
Department in charge	General Affairs Department, Sustainability Promotion Department, Corporate Administration & Internal Audit Department
Regulations subject to maintenance	The Board of Directors' Regulations, Risk Management Regulations, Crisis Management Regulations, Internal Auditing Regulations, etc.
Completion date of maintenance	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: March 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: May 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: June 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: June 2026 (v) Enhancing the system to support outside directors: June 2026
Start date of operation	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: April 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: May 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: July 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: July 2026 (v) Enhancing the system to support outside directors: July 2026
Methods of raising awareness	The revised Regulations are disseminated through the Company portal. Internal briefings regarding the Risk Management Regulations and Crisis Management Regulations are held.
Frequency of implementation	-
Monitoring status	Operation to be confirmed in the evaluation of the effectiveness of the

	Board of Directors and the Audit and Supervisory Committee.
Cause item number (reference)	(1)(2)(3)(4)

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

In addition to realizing a transformation of corporate culture that places top priority on short-term profits and does not allow targets to be missed, as well as excessive stock price supremacy to continue to show growth, in order to improve the effectiveness of the Board of Directors' oversight as described in (11) above, it is important to secure the eligibility of Vice Presidents who can execute the core role of business execution under the directors' supervision. In addition, in order to strengthen the group governance structure, it is also necessary to ensure the suitability of the Executive General Managers of AAD, MOEN, AMEC, SPMS, and NMAB, who directly report to the President of the Company (hereinafter referred to as the "Global Executives") and the CEOs of domestic Group companies. In light of the foregoing, we will implement the following measures.

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

In the past, in addition to the selection criteria for Vice Presidents that were disclosed to the public, the Company used some selection criteria (such as the embodiment of the Nidec Way, which indicates the code of conduct for employees, past performance and experience) that are not disclosed to outside parties. However, all of them were qualitative criteria based on past performance, and the criteria for dismissal were not specified. In addition, with regard to the selection criteria for Vice Presidents, excluding Presidents, the perspective of compliance was not clearly defined, and more emphasis was placed on past performance and experience. Furthermore, the scope of application of these selection criteria was limited to the Vice President that entered into a contract of commission with the Company, and no selection criteria common to the Nidec Group had been established.

Accordingly, selection criteria for Vice Presidents will be updated to the selection criteria applied globally and uniformly to the Company's Global Executives and the CEOs of domestic Group companies. To be more specific, the Company will add several factors for consideration, including high ethical standards and compliance awareness, leadership through organizational building and human resources development, and strategic planning and execution with an eye to the future as requirements for Vice Presidents, and expand the scope of application to include the Company's Global Executives and the CEOs of domestic Group companies. In addition, we will establish criteria for the dismissal of a Vice President, so that dismissal can be deliberated in the event of an

occurrence that does not satisfy the selection criteria or when a wrongful act or a material fact that violates laws and regulations or internal rules such as the Articles of Incorporation occurs.

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

At present, when holding the Nominating Committee meeting to nominate the Vice President of the Company, the Company provides prior explanations of the candidates to the participants of the Nominating Committee. However, the information on the candidates was limited to information such as their careers, and there was a lack of information to fully understand and verify their suitability. In addition, the scope of deliberations by the Nominating Committee was limited to the Company’s directors and certain Vice Presidents (President, the Executive Vice Presidents, etc.), and the Nominating Committee only received a report on the appointment of the Company’s other Vice Presidents. Moreover, the selection of CEOs of domestic Group companies was carried out by the process of each company, and the effectiveness of the selection process for the entire Nidec Group was not sufficiently ensured.

Accordingly, the Nomination Committee has held repeated discussions and formulated new selection criteria. In addition, the Company will share with the Nomination Committee in advance diversified information on candidates for nomination, such as compliance checks, internal information and the results of external assessments. In this regard, we have already conducted an external assessment of the Vice President appointed in April. In addition, considering how an outside director, who is a member of the Nominating Committee, pointed out that it is necessary to increase opportunities for meetings, etc. between the Nominating Committee and candidates for nomination, the Company will ensure transparency and objectivity in the evaluation process by the Nominating Committee by increasing opportunities for interviews and interaction with nominated candidates from the early stage of Vice President selection. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that the Vice President selection process is transparent and consistent as a whole by having the Nominating Committee check the selection of Global Executives and the Company’s Human Resources Department check the selection of CEOs of domestic Group companies based on globally unified selection criteria.

Improvement measure	Review of the criteria for Vice President nominations and strengthening of their effectiveness
Department in charge	Human Resources Department
Regulations subject to maintenance	Nominating Committee Regulations and Vice President Regulations
Completion date of maintenance	(i) Review of selection criteria and formulation of dismissal criteria: May 2026 (ii) Improvement of effectiveness of Vice President selection process: May 2026

Start date of operation	(i) Review of selection criteria and formulation of dismissal criteria: June 2026 (ii) Improvement of effectiveness of Vice President selection process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of implementation	(i) At least once a year: When the Vice President system is renewed or when an issue emerged that requires consideration of appointing or dismissing a new Vice President. (ii) At least once a year: Provide information necessary for Vice President selection deliberations as needed
Monitoring status	(i) At least once a year, the Nomination Committee checks the appropriateness of whether candidates have been selected based on the selection criteria. (ii) The effectiveness of the Nominating Committee is confirmed through an annual effectiveness evaluation of the Board of Directors
Cause item number (reference)	(4)

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

Within the Company, the message that “those who make profits are the most highly evaluated” has been repeatedly shared. In addition, evaluation criteria for executive remuneration emphasize single-year performance. As a result, a corporate culture that places top priority on achieving short-term performance has been fostered. In order to rectify the above, the Company will implement the following measures for executive remuneration for the Company’s Vice Presidents and Global Executives, and the CEOs of domestic Group companies.

(i) Review of evaluation criteria for executive remuneration

Under the current executive remuneration system, short-term incentives (STIs) are based on single-year sales, single-year profits, and individual evaluations, and long-term incentives (LTIs) are also based mainly on single-year sales, single-year profits, and ESG-related external evaluations. As a result, non-financial factors such as medium- to long term perspectives, compliance, and overall optimization are not fully reflected in executive remuneration evaluations, resulting in a noticeable bias toward short-term performance.

Therefore, we will redesign the evaluation criteria for executive remuneration. For STIs, in addition to revenue, operating profit and free cash flow for a single fiscal year, in March 2026, we formulated new evaluation criteria for executive remuneration that reflected the requirements for cancellation of the designation as a Security on Special Alert as a non-financial element for

fiscal 2026, to raise awareness of processes and medium- to long term perspectives. We will also ensure the consistency of the remuneration system across the Nidec Group by globally unifying and extending the application of the evaluation criteria for executive remuneration.

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

In the past, during the Company’s Remuneration Committee meetings, necessary information was not sufficiently provided to the Remuneration Committee members, and remuneration decisions were made as a formal approval process without being able to conduct in-depth deliberations. In addition, the scope of Remuneration Committee’s deliberations was limited to the Company’s directors and Vice Presidents, and group-wide transparency and controls over executive remuneration were insufficient.

Therefore, in order to make the remuneration determination process more transparent and to enhance the effectiveness of the controls on the remuneration determination process, we established a mechanism to strengthen the involvement of Remuneration Committee members (outside directors). For example, regarding (1) evaluation criteria for executive remuneration, etc., discussions have been held in the Remuneration Committee since January 2026, and the review is ongoing. In the future, we will improve the quality of discussions in the Remuneration Committee by providing timely and appropriate information on market trends, such as the status of the companies and benchmark information on executive remuneration by position necessary for remuneration decisions, to Remuneration Committee members, and by creating environments in which Remuneration Committee members who have received such information can independently ask questions and make decisions. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that executive remuneration decisions are transparent and consistent across the entire Nidec Group by confirming whether remuneration decisions are made based on the newly formulated globally unified remuneration evaluation criteria, and by having the Remuneration Committee check the appropriateness of remuneration for Global Executives and the Company’s Human Resources Department check the appropriateness of remuneration for the CEOs of domestic Group companies.

Improvement measure	Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process
Department in charge	Human Resources Department
Regulations subject to maintenance	Executive Remuneration Regulations
Completion date of maintenance	(i) Review of evaluation criteria for executive remuneration: May 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: May 2026

Start date of operation	(i) Review of evaluation criteria for executive remuneration: June 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of implementation	(i) At least once a year: When the remuneration of Vice Presidents is decided (ii) At least once a year: Provide information necessary for Vice President selection deliberations as needed
Monitoring status	(i) At least once a year, the Remuneration Committee confirms the appropriateness of executive remuneration amounts and the determination process based on the remuneration evaluation criteria. (ii) The effectiveness of the Remuneration Committee is confirmed through an annual effectiveness evaluation of the Board of Directors.
Cause item number (reference)	(2)

(14) Strengthening the internal audit system

The Group consists of more than 300 companies, and many of them are not adequately monitored by our internal audits. Specifically, the number of corporations subject to annual internal audits has not been sufficient, and even for those subject to internal audits, the necessary responses to the risks they face have not been implemented thoroughly enough. As a result, the internal audit system for managing each corporation as a group was not sufficiently established.

The Company's Corporate Administration & Internal Audit Department consists of the Internal Control Group, which evaluates internal controls over financial reporting, and the Internal Audit Group, which audits operational activities in the accounting area. The Internal Control Group has 16 members, and the Internal Audit Group has 12 members. (The Corporate Administration & Internal Audit Department also supports Audit and Supervisory Committee members, and the number of employees is not sufficient to perform the duties of the Corporate Administration & Internal Audit Department including providing support to Audit and Supervisory Committee members. In this regard, outside directors also pointed out the necessity of increasing the number of internal auditors.) The Internal Audit Group formulates and drafts audit plans each year based on the criteria for selecting corporations subject to internal audits. The selection criteria include the presence or absence of important issues, the scale of sales, an absence of long-term management changes, significant changes to the nature of the business, and an absence of prior internal audits. The Company determined the corporations that are subject to internal audits by comprehensively considering these criteria. As a result,

approximately 60 Group companies were selected for internal audits every year, for which the Company held prior review meetings with the head of the Corporate Administration & Internal Audit Department to confirm the key areas for audits, and then conducted audits of operational activities in the accounting area.

In the past, the Internal Control Group reported to the Audit and Supervisory Committee on the evaluation results of internal controls over financial reporting once a year. However, reports from the Internal Audit Group were only made to the President and not to the Audit and Supervisory Committee other than on irregular important matters, such as those that the Audit and Supervisory Committee had instructed the Internal Audit Group to investigate. As a result, the necessary risk information had not been submitted to the Audit and Supervisory Committee, and the necessary response to the risks were not sufficiently made and instructions to the Corporate Administration & Internal Audit Department were not sufficiently given from the perspective of group governance.

Furthermore, in some audits by the Corporate Administration & Internal Audit Department, it was confirmed that audits were conducted with a top priority on meeting the accounting closing schedule in accordance with Mr. Nagamori's intentions. It was also confirmed that when the Corporate Administration & Internal Audit Department conducted investigations into improper accounting issues that were discovered within the Group, although the existence of excessive performance pressure was mentioned in the interviews with related parties, this point was omitted from the minutes of the interviews.

In addition, as pointed out in the third-party committee's investigation report, in the past, special audits, distinct from regular internal audits, were conducted under the direction of Mr. Nagamori, but the results were not shared with the Corporate Administration & Internal Audit Department, the Audit and Supervisory Committee (Board of Auditors), or any outside accounting auditor.

As the Company's internal audit function had not been executed adequately in terms of the independence of internal audits, audit quality, and information sharing system, the Company will implement the following measures to strengthen the internal audit system.

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

In the past, the results of internal audits were reported only to the President, except for occasional reports of important matters to the Audit and Supervisory Committee. In the future, the results of internal audits will be regularly reported to the Audit and Supervisory Committee in addition to the President. To be specific, as described in (11) (iii) above, the Company will

create opportunities for the Audit and Supervisory Committee and the Corporate Administration & Internal Audit Department responsible for internal audits to collaborate on information on a regular basis by requiring reports to the Audit and Supervisory Committee at least once every quarter. In addition, through regular information sharing between the Corporate Administration & Internal Audit Department and the Audit and Supervisory Committee, the Audit and Supervisory Committee will be able to confirm that conditions are in place to ensure that the Corporate Administration & Internal Audit Department is independent. As a result, we will build a system to ensure that activities with unclear roles, such as the special audits conducted in the past, and inappropriate internal auditing activities, such as the deletion of part of interviews' minutes during audits, will not be conducted again.

Furthermore, as described in (11) (iii) above, in order to improve the audit function through three-way audits, the Company has decided to hold liaison meetings with the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and the external accounting auditor once a quarter, and one was held in April 2026. Through these measures, the risks that need to be addressed from the perspective of group governance will be reported to the Audit and Supervisory Committee in a timely manner. By establishing a system that enables the Audit and Supervisory Committee to promptly and appropriately consider countermeasures for these risks and issue instructions to the Corporate Administration & Internal Audit Department, the Company will strengthen the third defense line, which is expected to serve as a monitoring function.

In addition, in order to make such a reporting system more effective, the Audit and Supervisory Committee will have control over part of the personnel authority, strengthening the independence of the Corporate Administration & Internal Audit Department. Specifically, we have clearly stated in our regulations that the prior consent of the Audit and Supervisory Committee will be required for the recruitment or transfer of the head of the Corporate Administration & Internal Audit Department and we have started operating in accordance with those regulations.

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

As previously there have been an insufficient number of internal auditors, the Company will increase the number of internal auditors through new hiring and reassignment, increase the number of companies subject to audit every year, and build an internal audit system capable of conducting sufficient internal audits. In concrete terms, we have already started external recruitment activities, and we are also outsourcing work to outside experts to address the current human resources shortage.

As a result, the number of employees in the Internal Audit Group has increased from the initial 12 to about 20.

In addition, the planning and management group has been newly established in the Corporate Administration & Internal Audit Department to enhance the sophistication of internal audits and strengthen the management of audit quality. This will increase the number of companies subject to internal audits and improve the audit quality.

Furthermore, we will expand the scope of audit, which was previously limited to operational audits and internal controls in the accounting area, and examine the governance of the entire Group from a broader perspective. The Corporate Administration & Internal Audit Department will maintain its position as an independent “third line” and will not directly intervene in the business execution process, but will objectively verify whether the autonomous monitoring activities conducted mainly by each business management division (the second line) are functioning appropriately (monitoring of monitoring). To be more specific, the Corporate Administration & Internal Audit Department is monitoring the business management division’s (the second line) monitoring of the formulation of business plans, whistle-blowing system (Hotline), personnel evaluation system, and the status of development and operation of compliance responses.

Improvement measure	Strengthening the internal audit system
Department in charge	Corporate Administration & Internal Audit Department
Regulations subject to maintenance	The Audit and Supervisory Committee Rules and Internal Audit Rules
Completion date of maintenance	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: June 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: June 2026
Start date of operation	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: July 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: July 2026
Methods of raising awareness	Internal notice
Frequency of implementation	-
Monitoring status	Confirmation of improvement status in the Audit and Supervisory Committee
Cause item number (reference)	(5)(6)

(15) Improvement of whistle-blowing system

The Company has established whistle-blowing contact points that can be used by executive officers, full-time employees, associate employees, part-time employees, temporary employees, contract employees, other fixed-term employees, learning program students, job applicants, shareholders, distributors, suppliers, subcontractors, of all Nidec Group companies as well as subsidiaries and joint ventures in which the Nidec Group has more than 50% ownership and others who have obtained information indicating a violation of laws, regulations, the Code of Conduct or Nidec Group's policies in their business relationships, and those who have resigned from Nidec Group companies within the past year as well as whistle-blowing contact points operated by an outside contractor that can be used by directors, Vice Presidents, and employees mainly in Europe and the United States. The regional compliance officers in Japan, the United States, China, Europe, and Southeast Asia receive reports through these contact points and work with the Compliance Department of the Company to investigate and take corrective action.

In light of the fact that a corporate culture that prioritizes short-term profits has been developed within the Company and that the Group company management system has vulnerabilities, the Company will improve and strengthen the whistle-blowing system and ensure thorough awareness from the perspective of building and operating effective alternative reporting paths so that those obliged to report do not hesitate, delay or fail to report through normal reporting lines.

In addition, the third-party committee pointed out that although the Legal & Compliance Department, which was in charge of dealing with whistle-blowing reports, was aware that improper accounting was caused by excessive performance pressure from Mr. Nagamori and the Vice President in charge of Group companies, it did not particularly point out the existence of such performance pressure because they were hesitant to contradict Mr. Nagamori's management style, as it could lead to their own dismissal, and that there were those who saw no problems regarding the fact that the Vice President in charge of Group companies were putting strong performance pressure on domestic Group companies. In the future, we will strengthen our cooperation with the Audit and Supervisory Committee to incorporate objective external perspectives so that the events pointed out will not occur.

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

To improve the effectiveness of its whistle-blowing system, the Company has reviewed its compliance-related regulations, imposed reporting obligations on all officers and employees regarding suspicions of compliance violations and clarified the possibility of imposing disciplinary actions on those who violate such obligations. In addition, in order to raise awareness of the reporting systems and encourage employees to use them without hesitation, we made sure the

whistle-blowing system, including the protection of whistle-blowers, were disseminated in various compliance-related learning program sessions. We also redistributed posters related to the whistle-blowing system to Group companies and posted them at each company.

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

In addition to the global whistle-blowing system, some domestic Group companies and Group companies under the domestic Group companies have their own whistle-blowing contact points and various consultation points. However, in the past, the status of the development and operation of these contact points was not clearly understood. Therefore, the Company conducted interviews on the development and operation of the unique contact points of domestic Group companies and Group companies under the domestic Group companies to understand the current situation. At the same time, it has established reporting standards requiring that the Company receive reports on the status of whistle-blowing and progress of investigations at domestic Group companies and Group companies under the domestic Group companies in a timely manner. This will enable the Company to collect information on reported cases in each of the Group companies in a timely manner.

(iii) Coordinating information for appropriate response to reports

In the past, the status of whistle-blowing reports was reported to the Audit and Supervisory Committee once every six months, and there was not necessarily close information sharing with the Audit and Supervisory Committee regarding whistle-blowing reports. Accordingly, from October 2025, CLO and CCO have mutually agreed that a reportable incident that is deemed highly important and requires immediate reporting shall be immediately reported to the Audit and Supervisory Committee Office. In addition, matters that meet or exceed a certain level of risk based on the Company's whistle-blowing report risk criteria are to be regularly reported to the Audit and Supervisory Committee once every quarter. By strengthening cooperation with the Audit and Supervisory Committee in this way and by incorporating the objective perspective of outside Audit and Supervisory Committee members in the response to whistle-blowing reports, we aim to improve responses to whistle-blowing reports and ensure the appropriateness of contact point operations.

Improvement measure	Improvement of whistle-blowing system
Department in charge	Compliance Department
Regulations subject to maintenance	NIDEC Global Compliance Regulations
Completion date of maintenance	(i) Review of the global whistle-blowing system and dissemination to employees: December 2025

	(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status: March 2026 (iii) Coordinating information for appropriate response to reports: October 2026
Start date of operation	(i) Review of the global whistle-blowing system and dissemination to employees: December 2025 (ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status: April 2026 (iii) Coordinating information for appropriate response to reports: October 2026
Methods of raising awareness	Internal notifications and e-mails
Frequency of implementation	-
Monitoring status	(i) - (ii) Collect the list of reported cases from each company once a quarter. (iii) Under consideration
Cause item number (reference)	(2)(6)

(16) Strengthening the system for responding to reports

As a result of insufficient or delayed investigations related to compliance violations due to the lack of resources and expertise in the previous investigation system, there was a shared recognition among employees, mainly Group company employees, that responses to whistle-blowing were not adequate, further promoting a climate of silence. The following measures will be taken to strengthen the system for responding to reports.

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

In order to eliminate inconsistencies in the quality of responses to reports, a manual has been prepared to be used by personnel in charge of investigations after receiving a whistle-blowing report. More specifically, in addition to describing the legal requirements, we have documented the work content and procedures on the detection of issues, clarification of facts, and correction, which are useful for personnel in charge as information that contributes to the practice of conducting investigations. In addition to distributing the manual to the Company's Compliance Department, it was also provided to Regional Compliance Officers and to compliance officers and promoters assigned to each corporate entity. At the same time, we are holding learning programs in April 2026 to deepen understanding of the content. In addition, we will improve the investigation work by holding trainings by outside experts with specific cases on how to respond to cases where it is difficult to make a judgement when responding to whistle-blowing reports.

(ii) Expansion of the investigation system

In order to prevent a situation in which a sufficient investigation cannot be conducted in a timely manner due to limited investigation response resources or expertise within the Company and the group companies, the Company has established a system that enables thorough fact-finding and correction by partnering with external legal firms with expertise in investigations. We will continue to broadly collect information received from both internal and external sources, carefully review and investigate such information, and respond promptly and appropriately depending on the circumstances. In addition, with respect to matters that are expected to have a financial impact, we will strive to establish an even more reliable framework, including taking the necessary financial measures.

Improvement measure	Strengthening the system for responding to reports
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Preparation of a manual and education for personnel in charge of responding to reports: April 2026 (ii) Expansion of the investigation system: April 2026
Start date of operation	(i) Preparation of a manual and education for personnel in charge of responding to reports: April 2026 (ii) Expansion of the investigation system: April 2026
Methods of raising awareness	E-mail, departmental education
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

(17) Stricter disciplinary measures

At present, some of the disciplinary standards in the Disciplinary Code are unclear or lack strictness, which may undermine the consistency of decisions on disciplinary actions. Also, in addition to the fact that the operational process such as the prior consultation before the Disciplinary Committee meeting had become unclear, there were cases in which, even if it was understood through information from sources other than reporting contact points (such as interviews with retirees) that excessive pressure was being applied to achieve performance targets, the Group was unable to raise the issue or cooperate with the relevant departments,

and was unable to lead to a check or improvement through disciplinary actions. Furthermore, the insufficient disclosure of the results of disciplinary actions resulted in a decline in compliance awareness and creation of perception that reporting itself is meaningless because reporting ultimately leads to no disciplinary action. As a result, it is believed that this has contributed to the creation of a climate in which employees are unable to speak out. Therefore, the following measures will be implemented to tighten disciplinary actions.

Tightening disciplinary standards and operational processes

By clarifying the relationship between disciplinary content and actions for the Company and its Group companies in Japan, we will be able to make consistent decisions regarding disciplinary actions. We will also change to a more transparent operational process, including tightening some disciplinary standards and banning prior consultation. Regarding these measures, we will provide guidance via e-mails in addition to the Company portal and hold explanatory meetings at our bases and group companies to ensure that everyone is aware of them. Furthermore, based on information obtained from areas other than whistle-blowing contact points, such as exit interviews, we will formulate a mechanism for cooperation with related departments and for investigations and disciplinary actions.

Following this, the Company and domestic Group companies will share information on the content and results of disciplinary actions and work to raise awareness of the prevention of recurrence.

In addition, we require Vice Presidents and managerial staff in the Group to attend learning program sessions held once a year that use actual disciplinary cases as teaching material, in an effort to further foster compliance awareness.

Improvement measure	Stricter disciplinary measures
Department in charge	Human Resources Department
Regulations subject to maintenance	Disciplinary Regulations, Work Regulations, Vice President Regulations
Completion date of maintenance	Tightening disciplinary standards and operational processes: April 2026
Start date of operation	Tightening disciplinary standards and operational processes: May 2026
Methods of raising awareness	Company portal, emails, explanatory meetings at our bases and group companies, compliance learning program for Vice Presidents and managerial staff
Frequency of implementation	-
Monitoring status	-

Cause item number (reference)	(2)
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(18) Clarification of responsibility

On March 13, 2026, the Company established the “Executive Responsibility Investigation Committee,” which is comprised of only 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) (collectively, the “Individuals”), 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	Professor and Certified Public Accountant (Faculty of Commerce, Graduate School of Accountancy, 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 instances of improper accounting within our Group, the Executive Responsibility Investigation Committee, composed of external experts who have no conflicts of interest with the Individuals, will investigate and examine whether current and former directors, auditors, and executive officers bear legal liability, including whether they breached their duties in the execution of their responsibilities. Based on the report and recommendations of the Committee, we intend to determine whether to pursue claims for damages or other legal measures. Through these measures, the Company will fundamentally strengthen its governance system and ensure thorough compliance, and steadily promote initiatives to restore trust. We will also carry out the necessary actions for employees below Vice Presidents and officers and employees of the group companies.

(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” of 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 have forgone their remuneration as follows.

Representative Director and President (CEO)	100% of monthly base compensation (until submission of the Written Confirmation of Internal Management System) 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 four months)
Senior Vice Presidents	
Vice Presidents	
Members of the Board of Directors (Audit and Supervisory Committee Members)	30% of monthly base compensation (for four months)
Outside Members of the Board of Directors	
Outside Members of the Board of Directors (Audit and Supervisory Committee Members)	

3 Implementation schedule for improvement measures

→: Consideration and maintenance, ⇒: Implementation and operation

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
I. Improvement measures and status of the FIR Issue										
(1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority										
(i) Sending a clear message from the Company's Board of Directors to Nidec Group employees	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions	Based on the findings of the third-party committee and other internal investigation results, we will ensure that all employees fully understand the need to prioritize compliance through disciplinary actions.									
(iii) Strengthening our Legal & Compliance Department's functions	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(2) Strengthening organizations and systems										
(i) Strengthening the trade compliance systems	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Strengthening the global compliance system	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(3) Improvement of procedures, regulations and mechanisms										
(i) Improvement of the Group's reporting system	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Information sharing among the Company group's Legal & Compliance Departments	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Properly organizing the internal control system	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(4) Improvement measures at FIR										
(i) Systematic training and education system	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Internal control over country of origin declarations	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(5) Disciplinary actions	Implement appropriate disciplinary actions after receiving investigation results by the third-party committee and other internal investigation results									
II. Improvement measures based on suspected improper accounting practices										
(1) Reorganization of the medium-term management plan formulation process										
(i) Redefinition and clarification of rules for formulating the medium-term management plan	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(ii) Establishment of a team structure for examining the medium-term management plan	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iii) Strengthening the medium-term management plan formulation process	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(2) Reorganization of the business plan formulation process										
(i) Redefining the rules for business plan formulation	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
(ii) Building a team structure for reviewing business plans and strengthening processes	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(3) Optimization of the budget vs. actual performance management process										
(i) Change in performance management values in budget vs. actual performance management	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Analysis of results, consideration of measures, and improvement of accuracy of next business plan	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(4) Review of business evaluation criteria										
(i) Review of numerical items	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Addition of evaluation items	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(5) Ensuring the independence of the accounting function from the business divisions										
(i) Ensuring the independence of the accounting function	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Securing accounting resources	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Awareness raising and education on accounting	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iv) Strengthening accounting governance	→	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒
(6) Clarification of accounting policies and proper operation										
(i) Revision of the Group Accounting Policy and abolition of request for exception	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(ii) Development of Group Accounting Policy	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iii) Declaration of compliance with Group Accounting Policy	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iv) Review of Business Units and domestic Group companies	→	→	→	→	→	→	→	→	⇒	⇒
(7) Reform of the corporate culture										
(i) Establishing a new organization to promote corporate culture reform	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Conduct a corporate culture learning program based on employee level	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(iii) Create opportunities for dialogue with employees	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(8) Restructuring the group governance system										
Formulation and development of a Group Governance Policy	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(9) Enhancement of compliance education										
(i) Enhancement of compliance education for new hires and regular learning program	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue	→	→	→	→	→	→	⇒	⇒	⇒	⇒
(10) Review of personnel evaluation system										
(i) Setting targets other than performance, and thorough evaluation	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
(ii) Implementation of measures to improve understanding of the system	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(11) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee										
(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions	→	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Improving the effectiveness of the Audit and Supervisory Committee	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(v) Enhancing the system to support outside directors	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(12) Review of the criteria for Vice President nominations and strengthening of their effectiveness										
(i) Review of selection criteria and formulation of dismissal criteria	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(ii) Improving the effectiveness of the Vice President selection process	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(13) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process										
(i) Review of evaluation criteria for executive remuneration	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(ii) Issues and measures to improve the effectiveness of the remuneration determination process	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(14) Strengthening the internal audit system										
(i) Strengthening independence through cooperation with the Audit and Supervisory Committee	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(ii) Increase the number of companies subject to internal audits and improve audit quality	→	→	→	→	→	⇒	⇒	⇒	⇒	⇒
(15) Improvement of whistle-blowing system										
(i) Review of the global whistle-blowing system and dissemination to employees	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(iii) Coordinating information for appropriate response to reports	→	→	→	→	→	→	→	→	→	⇒
(16) Strengthening the system for responding to reports										
(i) Preparation of a manual and education for personnel in charge of responding to reports	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(ii) Expansion of the investigation system	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒	⇒
(17) Stricter disciplinary measures										
Tightening disciplinary standards and operational processes	→	→	→	→	⇒	⇒	⇒	⇒	⇒	⇒
(18) Clarification of responsibility	Based on the findings of the third-party committee									

Improvement measures	2026									
	Before January	February	March	April	May	June	July	August	September	October
	and other internal investigation results, we have implemented disciplinary actions. Based on the report and recommendations of the Executive Responsibility Investigation Committee, we will implement necessary disciplinary actions.									

Part 4 Recognition of the impact of inappropriate information disclosure on investors and the securities market

As described in the “Notice Regarding Establishment of Third-Party Committee” dated September 3, 2025, the Company and its group companies discovered multiple materials that raised suspicions of improper accounting. Therefore, the Company requested objective investigations by a third-party committee independent of the Company, in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations. As previously announced in the “Announcement Regarding Receipt of the Third-Party Committee’s Investigation Report (Final Report) and Our Company’s Response” dated April 17, 2026, the investigation conducted by the third-party committee has been completed.

We take the third-party committee’s investigation report very seriously. Taking into account the points raised and suggestions provided by the third-party committee, we have reviewed and revised the Improvement Plan that had been previously developed for the purpose of fundamentally improving the internal management system, etc. This Improvement Plan (Revised Edition) reflects the results of that review and revision, as well as the progress made to date in implementing improvement measures.

We recognize the significant inconvenience to and concern of our shareholders, investors, and all other stakeholders. All of our executives and employees are united in our commitment to implement this Improvement Plan (Revised Edition). We will continuously monitor its implementation and resolutely pursue improvements to our internal management systems, as well as reforms in corporate governance and organizational culture.

We will devote our full efforts to executing this Improvement Plan and advancing its implementation so that we may restore your trust as soon as possible. We sincerely ask for your continued support.

(Appendix)

Major Revisions to the Improvement Plan and the Status Report

Structure of the Improvement Plan and the Status Report dated January 28, 2026	Major Revisions to the Revised Improvement Plan and the Status Report dated April 27, 2026
Part 1 Summary of correction of past fiscal years' accounts	We have added the impact on consolidated financial statements that were identified by the investigation report of the third-party committee and the results of the internal investigations.
Part 2 Background	"5 Summary of third-party committee's investigation report" and "6 Overview of improper accounting practices" were added based on the third-party committee's investigation report.
1 How the problem came to light (1) Discovery of the FIR Issue (2) Discovery of the other issues (3) Establishment of third-party committee	Summaries of the results of the third-party committee and internal investigations have been added for each issue.
2 Material weakness about internal control over financial reporting	-
3 Disclaimer of audit opinion and review conclusion	-
4 Designation of Security on Special Alert	-
Part 3 Improvement measures	-
1 Analysis of the causes (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) Culture of prioritizing the opinions of the former representative (4) Governance vulnerabilities (5) Internal control weaknesses (6) Vulnerability of the Group company management system	Each item in the "Analysis of the causes" of the third-party committee's investigation report has been reflected as follows. <ul style="list-style-type: none"> • We reflected "(1) Excessive performance pressure (the collapse of Mr. Nagamori's management philosophy)" in "(1) Excessive shareholder primacy to continue to demonstrate growth" and "(2) A corporate culture that gives top priority to short-term profits and does not allow targets to be missed." • We reflected the "(2) Absolute authority of Mr. Nagamori" in the "(3) Concentration of authority on Mr. Nagamori and culture of prioritizing his opinions." • We have reflected (1) - (3) of "3. Failure of the check function" in "(5) Internal control weaknesses" and "(6) Vulnerability of the Group company management system." • We reflected (4) of "3. Failure of the check function" in "(4) Governance vulnerabilities." • The "4. Dishonesty toward the accounting auditor is equivalent to dishonesty toward investors and the market" was reflected in "(2) A corporate culture that gives top priority to short-term profits and does not allow targets to be missed."
2 Improvement measures to prevent recurrence	We updated our activities to prevent recurrence.
I. Improvement measures and status of the FIR Issue (1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority (2) Strengthening organizations and systems (3) Improvement of procedures, regulations and mechanisms (4) Improvement measures at FIR (5) Disciplinary actions	The progress status of each measure as of the submission date has been added.

Structure of the Improvement Plan and the Status Report dated January 28, 2026	Major Revisions to the Revised Improvement Plan and the Status Report dated April 27, 2026
<p>II. Improvement measures based on suspected improper accounting practices</p> <p>(1) Reorganization of the medium-term management plan formulation process</p> <p>(2) Reorganization of the business plan formulation process</p> <p>(3) Optimization of the budget vs. actual performance management process</p> <p>(4) Review of performance evaluation criteria</p> <p>(5) Ensuring the independence of the accounting function from the business divisions</p> <p>(6) Clarification of accounting policies and proper operation</p> <p>(7) Reform of the corporate culture</p> <p>(8) Enhancement of compliance education</p> <p>(9) Review of personnel evaluation system</p> <p>(10) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee</p> <p>(11) Review of the criteria for Vice President nominations and strengthening of their effectiveness</p> <p>(12) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process</p> <p>(13) Strengthening the internal audit system</p> <p>(14) Improvement of whistle-blowing system</p> <p>(15) Strengthening the reporting system</p> <p>(16) Stricter disciplinary measures</p> <p>(17) Clarification of responsibility</p>	<p>The progress of each measure and the following measures as of the submission date have been added.</p> <ul style="list-style-type: none"> • In “(1) Reorganization of the medium-term management plan formulation process”, we added that we will consolidate the knowledge of human resources, which is useful in the company, and utilize the knowledge of outside experts. • In “(5) Ensuring the independence of the accounting function from the business divisions”, the Company has added the establishment of a dual reporting line, the issuance of a message from the president and the implementation of compliance learning program to ensure a sincere attitude toward investors and markets, the establishment of a risk information reporting process, the strengthening of cross-functional functions, and strengthening information-sharing with accounting auditors. • In “(7) Reform of the corporate culture”, “(ii) Conduct a corporate culture learning program based on employee level” and “(iii) Create opportunities for dialogue with employees” were added. • “(8) Restructuring the group governance system” was added. • In “(9) Enhancement of compliance education”, the implementation of compliance education for the entire Group has been added. • In “(11) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee”, we added a review of information sharing with the Board of Directors and the state of Executive Management Meeting, the establishment of a mechanism for exchanging opinions with outside directors, etc., as well as “(v) Enhancing the system to support outside directors.” • In “(15) Improvement of whistle-blowing reports system”, we added “(iii) Coordinating information for appropriate response to reports.” • In “(16) Strengthening the system for responding to reports”, the implementation of learning program for those in charge of reporting has been added. • In “(18) Clarification of responsibility”, the establishment of the Executive Responsibility Investigation Committee and personnel actions in response to the third-party committee’s investigation report, etc. were added.
<p>3 Implementation schedule for improvement measures</p>	<p>The schedule was updated based on the addition of the above measures.</p>
<p>Part 4 Recognition of the impact of inappropriate information disclosure on investors and the securities market</p>	<p>It has been updated based on the third-party committee’s investigation report.</p>