

Sustainability Meeting

Nidec Corporation



March 18, 2025

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These presentation materials and the related discussions contain forward-looking statements including expectations, estimates, projections, plans and strategies. Such forward-looking statements are based on management's targets, assumptions and beliefs in light of the information currently available. Certain risks, uncertainties and other factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in customer circumstances and demand, exchange rate fluctuations, and the Nidec Group's ability to design, develop, mass produce and win acceptance of its products and to acquire and successfully integrate companies with complementary technologies and product lines. Please see other disclosure documents filed or published by the Nidec Group companies, including the Japanese securities report, for additional information regarding such risks and uncertainties. Nidec undertakes no obligation to update the forward-looking statements unless required by law.

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1. NIDEC's Sustainability Management

Takako Sakai
Outside Member of the Board of Directors and
Chairperson of Sustainability Committee

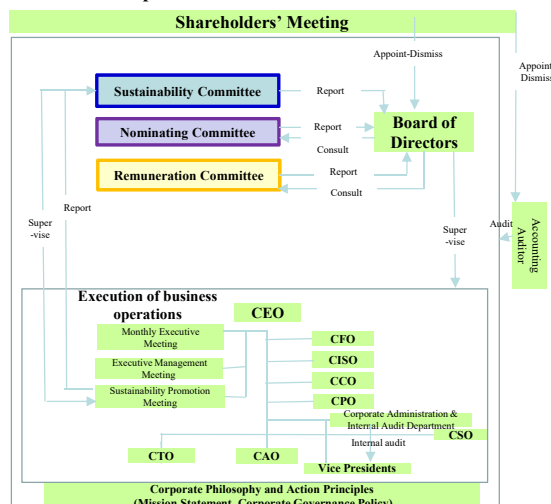
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Corporate Governance Structure

*BOD: Board of Directors
Nidec
-All for dreams

Enhancing supervisory function provided by the outside members of the Board of Directors

<Corporate Governance Structure>



Sustainability Committee

Takako Sakai Outside Member of the BOD	Mitsuya Kishida Representative Director and President CEO	Hiroyuki Ochiai Member of the BOD and Audit and Supervisory Committee	Hiroe Toyoshima Outside Member of the BOD and Audit and Supervisory Committee	Kunio Umeda Outside Member of the BOD and Audit and Supervisory Committee
Chairperson				

Nominating Committee

Takako Sakai Outside Member of the BOD	Shigenobu Nagamori Founder and Chairman of the Board	Mitsuya Kishida Representative Director and President CEO	Yayoi Komatsu Outside Member of the BOD	Aya Yamada Outside Member of the BOD and Audit and Supervisory Committee
Chairperson				

Remuneration Committee

Aya Yamada Outside Member of the BOD and Audit and Supervisory Committee	Shigenobu Nagamori Founder and Chairman of the Board	Mitsuya Kishida Representative Director and President CEO	Shinichi Sato Outside Member of the BOD	Takako Sakai Outside Member of the BOD
Chairperson				

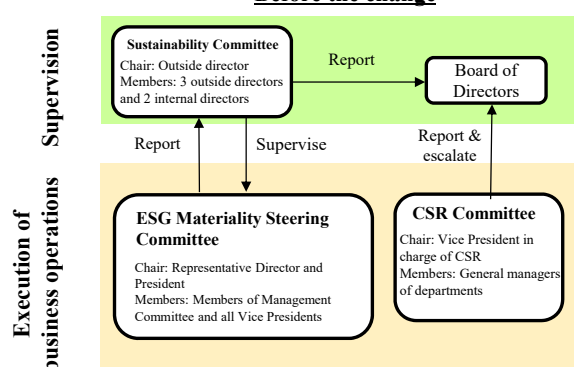
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Enhancement of Sustainability Promotion Structure

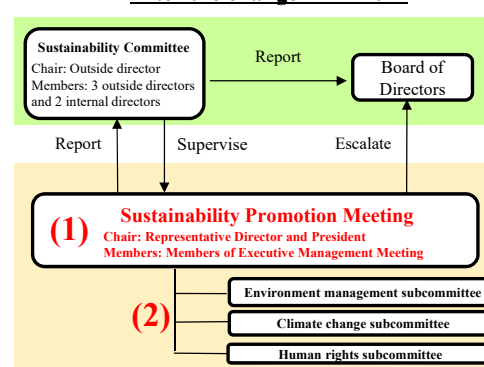
Nidec
-All for dreams

Our new sustainability promotion system will improve our execution capability

Before the change



After the change in FY2024



Point of change

- (1) **Centralized promotion and decision-making functions** by uniting CSR Committee and ESG Materiality Steering Committee into Sustainability Promotion Meeting
- (2) Established **three subcommittees** (execution teams cooperating with business units) under Sustainability Promotion Meeting to **accelerate sustainability promotion**

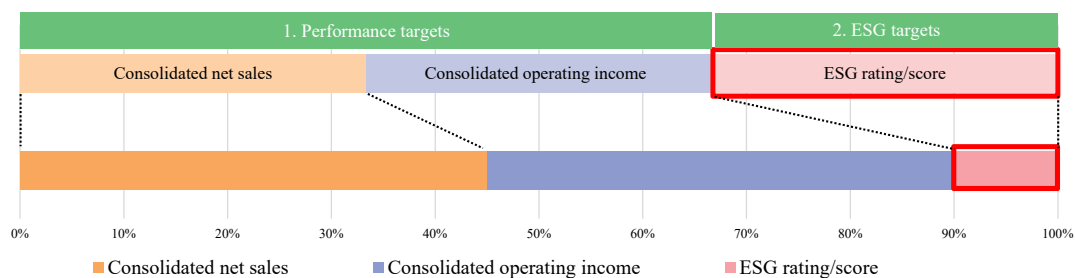
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Reflection of ESG Targets in Performance-linked Compensation for Directors



Reflecting achievement level of ESG evaluation targets on performance-linked compensation for directors

<Evaluation indicators and weights for performance-linked coefficients>



In 2024, Nidec started reflecting achievement level of our ESG targets on performance-linked compensation for directors*. The ESG targets are determined by our rating/score by MSCI, FTSE and CDP.

*Except the Founder and Chairman of the Board, outside members of the Board of Directors, and directors who are members of the Audit and Supervisory Committee

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2. Actions Towards Establishment of Group Management System

Mitsuya Kishida

Representative Director and President CEO (Chief Executive Officer)

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Looking Back on FY2024 and Actions for FY2025



Evolve into a further global company using our strength such as business, technology, human resources, etc. built over the past 50 years

Review on FY2024

- Define Three Technological Areas and Five Business Pillars
- Establish Three Committees
- Break away from the dependence on the founder and foster a sense of striving for quality growth among each employee

Actions in FY2025

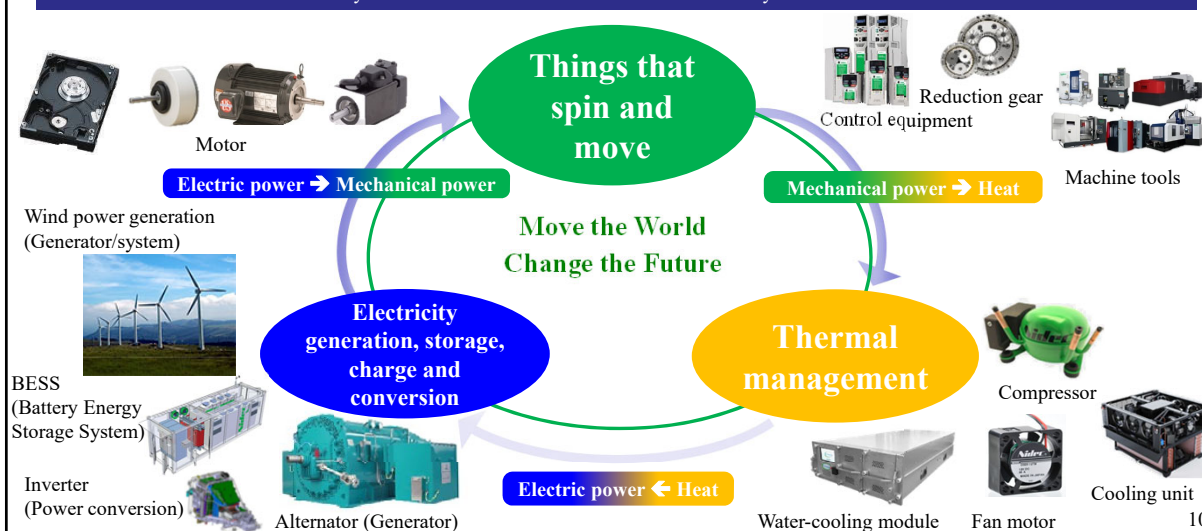
- Continue actions for business organization enhancement
 - Consolidate AMEC existing business and ACIM
 - Consolidate Nidec Mobility and Nidec Elesys
 - One Automotive cooperation etc,
- Strengthen One Nidec activities by region
 - India growth strategy
 - Consolidation of business sites
- Announce new mid-term strategic goal for FY25 to 27 in April 2025

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Towards the Realization of Circular Society



Aiming to become a leading company contributing to sustainable circular society with highly efficient products and environmentally friendly business activities committed to carbon neutrality and CO2 reduction








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Five Business Pillars – Five Areas of Focus Based on Market Trends-



Targeting wide range of business areas from cutting-edge AI-related market to everyday life, infrastructure and energy

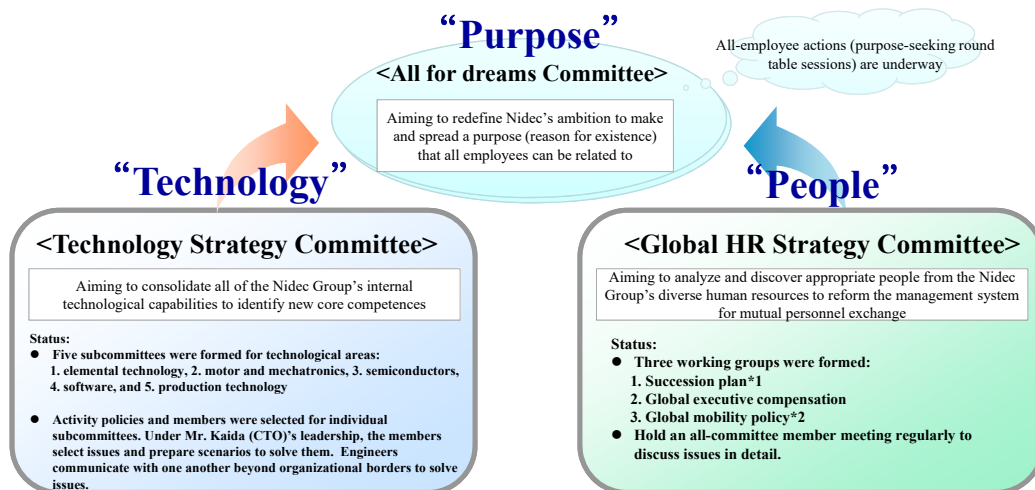
Better Life	Sustainable Infrastructure and Energy	Base of AI Society	Efficient Manufacturing	Mobility Innovation
-Improving quality of life -Pursuing reliability, safety and health	Contributing to infrastructure maintenance by efficient generation, storage and utilization of energy	Anticipating explosive demand and responding to required evolution	Leading labor-saving, automation, acceleration and high precision in manufacturing	Electrification and automation of eco-friendly vehicles
Home appliances	Power generator	Data center	Machine tools and Press machines	Automotive components
Commercial equipment (HVAC/elevators)	Battery Energy Storage System (BESS)	Semiconductor inspection /wafer transfer robot	Precision reducers	E-bike
				

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The Three Committees (Status Report)



Based on the process of reviewing technology, people, and purpose, build a system to become a global top-notch company



*1. A plan to identify a successor to someone of an important position in an organization, assign him/her in the position, and develop required skills
 *2. A globally standard policy on employees' treatment for international transfers

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3. Human Capital Management and Corporate Governance

Fumiaki Ushio

Senior Vice President and CAO (Chief Administration Officer)

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Global Personnel Policies



Executing human resources strategy based on NIDEC Global Personnel Policies for sustainable growth

Aiming to become “a global company that grows sustainably for the next 100 years and beyond” and “the world’s leading solution-providing business group that solves numerous problems for the people in the world,” we have established NIDEC Global Personnel Policies based on “Nagamori-ism” and “NIDEC Way” to take on challenges for our shared dream. We are putting these visions into concrete actions such as individual HR strategies and measures, with a respect to diversity and a clear principle.

Vision

- NIDEC is a global company that grows sustainably for the next 100 years and beyond
- NIDEC is the world’s leading solution-providing business group that solves numerous problems for the people in the world

Founder’s spirit (Nagamori-ism, NIDEC Way)

NIDEC Global Personnel Policies

“For Our Future, For Our Dream” We will continue to be an organization that is always ready to take on challenges for the future of people around the world and for our dreams.

Organizational and human resources development policy
(for software area)

Encourage Uniqueness

We respect individuals who proactively demonstrate their value.

Respect Team Spirit

We are open to diverse opinions and create new value through honest communication.

Personnel system policy (for hardware area)

Reward Based on Contributions without Bias

Performance will always be rewarded in a correct, fair, open, and impartial manner, using simple criteria, and appropriate career opportunities will be provided.

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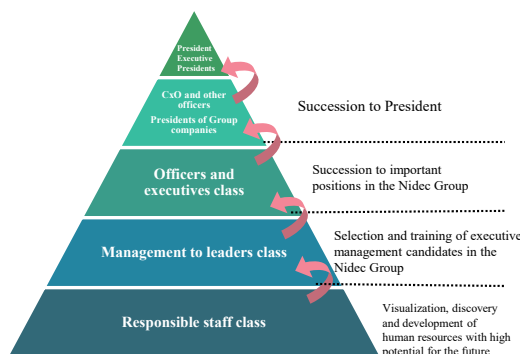
Securing and Developing Globally Competitive Human Resources



Strengthening systems for building stable pipeline of talent for key positions and talent development

We are visualizing key positions throughout the group, enhancing succession plans, identifying candidates who could become the next generation of management talent, and promoting strategic early development initiatives.

Concept of talent pooling



Human resource development by OJT and Off-JT

- Management of group companies
- Experience of M&A and PMI
- Management of overseas sites
- Job rotation across business units
- Getting MBA etc.

Readiness of successor candidates for management and key positions

Indicator		FY2023	FY2025 Target
Internal succession rate		84.6%	85%
Successor readiness	Ready to succeed	59.8%	70%
	Ready to succeed in 1 to 2 years	55.6%	70%
	Ready to succeed in 3 to 5 years	40.2%	60%

Internal succession rate of key positions is increasing. We will also focus on identifying and developing candidates for succession for mid- to long-term perspective.

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Securing and Developing Globally Competitive Human Resources

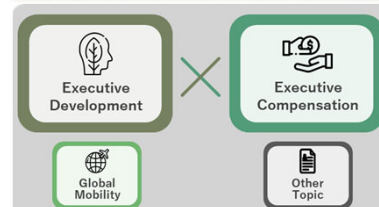


Aiming to help Nidec employees worldwide fully demonstrate their capabilities through our activities of Global HR Strategy Committee

Global HR Strategy Committee

Objective	Fully utilize diverse experiences and knowledge of Nidec Group employees worldwide with expertise in HR, to build a better HR strategy
System	The committee comprises HR members of the Nidec Group's Business Units and main overseas business bases and Nidec's HR secretariat
Action	<p>Step1: Networking among committee members</p> <p>Step2: Share the status of businesses and regions and their know-how, and analyze their needs deeply</p> <p>Step3: Launch actions on identified global issues</p> <p>Aim to ensure that Nidec Group employees worldwide fully demonstrate their capabilities</p>

▼ Global HR strategy workshop in Kyoto (October 2024)



Latest priority: Promote actions to discover, develop the talent of, and motivate candidates for Nidec's future leadership roles

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Diversity Promotion



Recognize diversity as a source of Nidec's competitiveness, and promote Diversity & Inclusion

Diversity & Inclusion

Encourage Uniqueness

We respect individuals who proactively demonstrate their value.

Respect Team Spirit

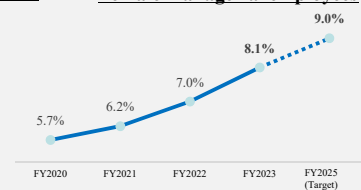
We are open to diverse opinions and create new value through honest communication.

Indexes on diverse human resources' activities (Nidec Corporation)

- Female executives*1	FY2023 18.8%	FY2025 target 20%
- Female managerial employees	FY2023 8.1%	FY2025 target 9%
- International executives	FY2023 2/31 people	
- Employees with disabilities	FY2023 2.57%	
- Employees who returned from childcare leave	FY2023 100%	
- Male employees who took childcare leave	FY2023 47.4%	

*1. Positions above Vice President, including outside Board of Directors members

Female managerial employees



Nidec has seen a steady increase in the ratio of female employees in decision-making positions. The company remains dedicated to **building a work environment for both men and women to shine**, and enhance its **support for employees' career-building** as it aims to achieve its targets.

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Diversity Promotion



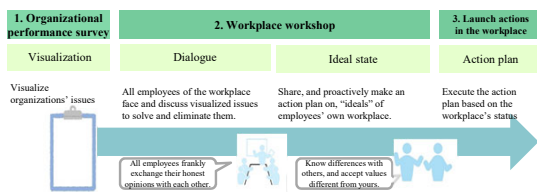
Improve organizational performance through inclusion activities based on employees' diversity

“Dialogue-based” inclusion activities to recognize diverse values and connect among employees



Intra-organizational inclusion activities

- Hold an annual “organizational performance survey.”
- Based on survey results, we hold a “workplace workshop” for dialogue to make a better organization at each workplace.



Cross-organizational inclusion activities

- A “Women 4 Women” gathering for dialogues about women empowerment and career building with members of Nidec's European business bases
- A “Diversity Talk!” session to talk with outside members of Board of Directors



“Women 4 Women” gathering in July 2024



“Diversity Talk!” session in February 2025

Promote Diversity & Inclusion activities that involve all Nidec Group employees

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Changes in Nidec's Corporate Governance

Building a fair, highly transparent and effective governance system

As the company aims to grow sustainably and improve its corporate value on a mid- and long-term basis, we recognize corporate governance as one of the company's most important issues, and strengthen its system.

(Fiscal Year)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Designing a BOD	2008 Company with an Audit & Supervisory Board										2020 Company with an Audit & Supervisory Committee						
Separation of supervision and executive functions	2008 Launch Vice President system Adapt to the company's global business expansion and rapid changes in the business environment.										Enhance the supervisory function of the company's BOD, and improve the soundness and transparency of company's business management.						
External members of BOD	2010 Appoint outside BOD members Improve the company's management supervisory function, and transparency of its decision-making process										2012 Appoint female outside BOD members Improve the company's diversity						
BOD Advisory Committee	2014 Appoint more outside BOD members Further improve the BOD's effectiveness										Six out of the 11 BOD members are outside members (four of the members are female).						
	Enhance the transparency and fairness of the company's BOD member selection & dismissal processes										2021						
	Secure the objectivity and transparency of the company's executive compensation-determination process										2020						
	Discuss sustainability-related management issues, and reflect external opinions in business management										2022						
Meeting among Outside Members of the BOD (informal gathering)	A meeting to explain the company's management strategy and businesses, hold company tours, and share opinions of investors and other stakeholders of the company										2016						
Assessment of the BOD's effectiveness	2015										Continue improvement actions based on assessments of the BOD's effectiveness, and on their results (Third-party based assessment system was introduced in FY2011.)						

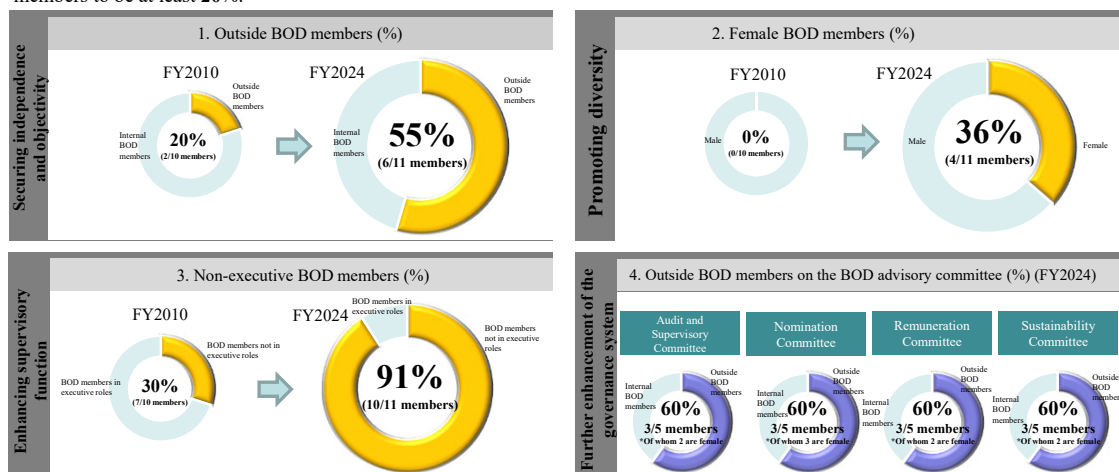
*BOD: Board of Directors

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Composition of the Board of Directors

Appoint highly independent external directors of the Board that strengthen supervisory function toward the management and enhance transparency and objectivity of the management

For the BOD, we aim to: (i) have the ratio of outside BOD members to be at least 50%; and (ii) the ratio of female BOD members to be at least 20%.



*BOD: Board of Directors

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Evaluation Results of Effectiveness of the Board of Directors



Continue improvement based on objective evaluation and analysis conducted by third party organization

Every year, we hold a questionnaire for the Members of the company's BOD, including its Outside Members, to assess the BOD's effectiveness and existing issues. In addition, for objective assessment and analysis, we have in place a system of assessment by a third party (an external law firm).

FY2023 assessment results

Highly evaluated points

- The BOD functions sufficiently
- Opportunities are secured to seek additional information on issues for deliberation
- Opinions are exchanged freely, actively, and constructively in BOD meetings

Points on improvement

- Risk and negative-side analyses seem missing slightly
- Introduce active discussions in pre-briefing sessions to BOD meetings for further functional development
- Actions are required for deeper discussions on mid- and long-term management strategies and issues

FY2024 actions

Actions for productive discussions in the BOD

- Have preparatory briefings on a regular basis
- Enrich contents of presentation materials
- Examine which issues to be deliberated

Actions for members to understand our business better

- Have informal meeting on a regular basis

*BOD: Board of Directors

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4. Actions to Realize Decarbonized Society

Kensaku Ishibashi

General Manager of Sustainability Promotion Department

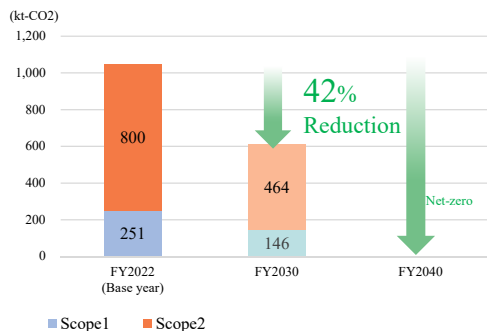
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Mid- to Long-term CO₂ Emissions Reduction Targets

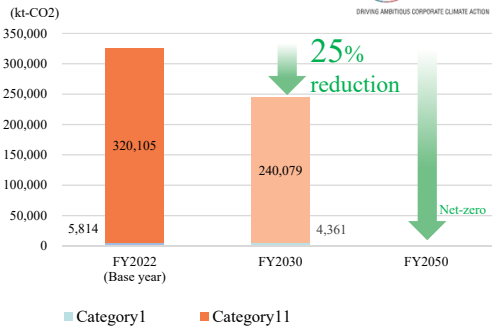
- Aiming to achieve net-zero emissions for Scope 1 & 2 by FY2040 and for Scope 3 in FY2050
- In August 2024, Nidec Group's CO₂ reduction targets toward FY2030 were validated by SBTi* as aligned with the "1.5°C target".

Our mid- to long-term CO₂ reduction targets

GHG emissions (Scope 1 & 2)



GHG emissions (Scope 3)



*Scope 1: Direct GHG emissions owned or controlled by an organization (fuel combustion, manufacturing process, etc.)

Scope 2: Indirect GHG emissions associated with purchase of electricity, heat and steam from other organizations

Scope 3: Indirect GHG emissions except Scope 1 and 2 (emissions owned or controlled by other organizations related with business activities of an organization)

*SBTi (Science Based Targets initiative) is an international initiative that promotes setting GHG reduction target based on climate science.

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Reduction of CO₂ Emissions from Business Activities (Scopes 1 & 2)

- Focusing on energy conservation and renewable energy use for Scope 2 (electricity), and identifying issues related to equipment for Scope 1 (fuel)
- Energy conservation: Promoting cooperation with the technology departments and facilities
- Renewable energy use: Discussing optimum measures for individual regions, and starting discussion on introducing V-PPA in Europe, which we aim to execute a contract within 2025

<Scope1&2 emissions>

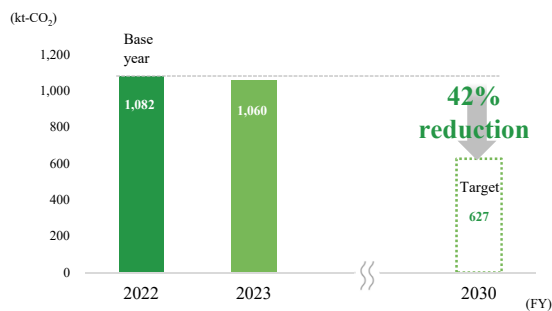
FY2022 result: 1,082K tons

Breakdown: 282K tons for Scope 1, and 800K tons for Scope 2

FY2023 result: 1,060K tons (2% reduction from the FY2022 level)

Breakdown: 269K tons for Scope 1, and 791K tons for Scope 2

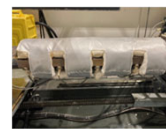
Scope1&2 emissions



◆ Launching energy-saving activities



Energy-saving diagnosis



Heat insulation measures for injection molding machines

◆ 7 bases successfully using only renewable energies



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Reduction of CO₂ Emissions in the Supply Chain (Scope 3)

Reducing CO₂ emissions from procured items such as materials and components and improving energy efficiencies of sold products during their use are important in curbing Nidec's Scope 3 emissions

<Category 1 & 11 emissions>

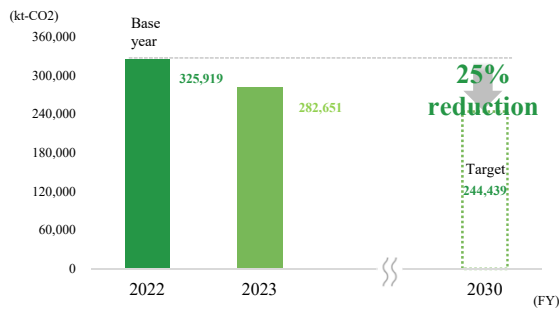
FY2022 result: 325,919K tons

Breakdown: 5,814K tons for Category 1, and 320,105K tons for Category 11

FY2023 result: 282,651K tons (13% reduction from the FY2022 level)

Breakdown: 5,552K tons for Category 1, and 277,099K tons for Category 11

Scope 3 (Category 1 & 11) emissions



Breakdown of Scope 3

<In thousands of tons of CO₂>

Category 1	Purchased goods and services	5,552
Category 2	Capital goods	293
Category 3	Fuel-and-energy-related activities (not included in Scope 1 or 2)	196
Category 4	Upstream transportation and distribution	631
Category 5	Waste generated in operations	16
Category 6	Business travel	21
Category 7	Employee commuting	67
Category 8	Upstream leased assets	Included in Scope 1
Category 9	Downstream transportation and distribution	Not relevant
Category 10	Processing of sold products	4
Category 11	Use of sold products	277,099
Category 12	End of life treatment of sold products	1,147
Category 13	Downstream leased assets	Not relevant
Category 14	Franchises	Not relevant
Category 15	Investments	7

Related to products and solutions

Nidec started quantification of its CO₂ emissions based on its product life cycle


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Evaluation of Climate-Related Risks and Opportunities and Countermeasures

A total of 143 executives and staffs from all business units participated to evaluate and consider countermeasures
=> Measures for Scope 1, 2 & 3 reductions are key points

Impacts of climate-related risks and opportunities		Small precision motors	Automotive products	Appliance, Commercial & Industrial Products	Machinery	
		SPMS*	AMEC*	ACIM*	MOEN*	NMAB*
Risks	Introduction of carbon taxes	- Increase in production costs and decline in price competitiveness due to carbon taxes - Increase in costs for introducing renewable energy *If measures are taken against carbon taxes				
	Impact of floods	- Increase in procurement costs of crude oil and fossil fuel-derived electric power - Increase in procurement costs due to carbon taxes imposed on raw materials				
	Changes in customer behavior	- Damage to fixed assets and stocks - Suspension of factory operation				
	Tightening of regulations for fuel efficiency and ZEVs	- Suspension of transactions due to the failure to achieve carbon neutrality as planned				
	Introduction of regulations related to rare earths	- Intensifying competition and price destruction due to an increase of newcomers - Intensifying competition for raw materials due to the expansion of the EV market				
Opportunities	Expansion of the market for products that contribute to decarbonization	- Difficulty in procuring rare earth elements - Increased procurement costs				

*Evaluated in organizations as of FY2023



Countermeasures

Red: Scope 1, 2 Blue: Scope 3

- Introducing energy-saving equipment, optimizing manufacturing processes

- Long-term renewable energy electricity contracts such as corporate PPA

- Lightweight, compact, and resource-saving technology

- Use of low-carbon materials (including recycled raw materials)

- Introduction of multi-sourcing for procurement

- Geographical distribution of production plants

- Promotion of environmental initiatives through collaboration with customers

- Gaining economies of scale due to the market share expansion

- Protect and utilize intellectual properties

- Building a supply chain with high supply capacity

- Lightweight, compact, and resource-saving technology

- Development of products without heavy rare earth elements or magnets.

- Strengthening the development of related products

- Reduction of size and weight, and resource saving

*Evaluated in organizations as of FY2023



Countermeasures Red: Scope 1, 2 Blue: Scope 3

- Introducing energy-saving equipment, optimizing manufacturing processes
- Long-term renewable energy electricity contracts such as corporate PPA
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*Abbreviations and official names of the organizations

SPMS: Small Platform Motor & Solutions Business Unit

ACIM: Appliance, Commercial, and Industrial Motors Business Unit

AMEC: Automotive Motor & Electronic Control Business Unit

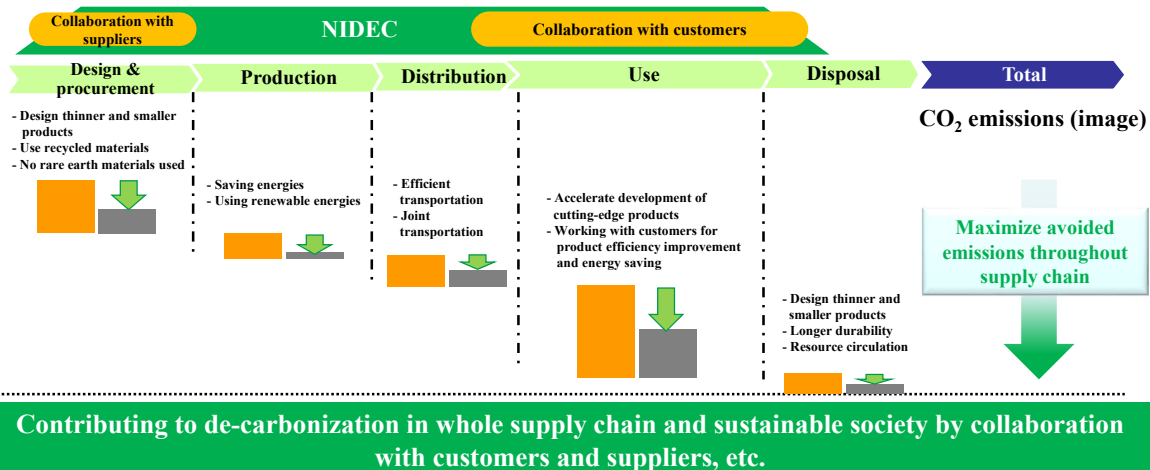
MOEN: Motion & Energy Business Unit

NMAB: Nidec Machinery and Automation Business Unit

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Actions Going Forward

We completed preparation for calculating CO₂ emissions related to product lifecycle, from design and procurement to production and distribution. Moving forward, we will work with customers to visualize CO₂ emissions and avoided emissions and provide decarbonized products.



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External Evaluation of Nidec's Decarbonization Efforts

- Nidec was selected to be on the “A list” for its transparency in information disclosure and leadership in its actions (evaluations were B in 2023, and C in 2022).

*There are eight ranks, ranging from “A” and “A-” to “D” and “D-.”

- CDP is a UK-based NGO that operates a global system for companies' and municipalities' environmental information disclosure.

- **24,800 companies**, representing two-thirds of the world's total market capitalization, **are participating in this program.**

Climate
CDP
A List
2024

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5. Q&A

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