



FOR IMMEDIATE RELEASE

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Nidec to Form a Joint Venture with a Subsidiary of China-Based Guangzhou Automobile Group Company for Automotive Traction Motors

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company” or “Nidec”) announced today that it has adopted at a meeting of the Board of Directors held on August 1, 2019 a resolution to execute a contract with GAC Components Co., Ltd. (“GAC Components”), a member of China-based Guangzhou Automobile Group Co., Ltd. (“Guangzhou Automobile Group”), to establish a joint venture to manufacture automotive traction motors.

The closing of this case will be subject to approval by competition authorities.

1. Purpose of This Transaction and Operation Policy Going Forward

Nidec has been expanding and strengthening its automotive motor business, one of the Company’s strategically critical businesses, by setting the business’s target sales amount to 700 billion to one trillion yen under Vision 2020, the Company’s mid-term strategic goal.

Countries around the world have announced a ban on the sales of gasoline and diesel vehicles one after another to combat global warming and air pollution, making zero-emission vehicles a global trend. Accordingly, car manufacturers are launching measures globally, including the acceleration of the pace of introducing electric vehicles (“EV”) more than ever. As this trend of car electrification intensifies, the automotive motor market, strategically important for Nidec, is forecast to double its size to six trillion yen in 2030. Among all the products in the market, companies’ attention and Nidec’s particular focus are on the traction motor, one of the most important components to replace the existing internal-combustion engine.

GAC Components is a subsidiary of a major Chinese car manufacturer Guangzhou Automobile Group that has the sixth largest market share in the increasingly environmentally strict China. GAC Components mainly manufactures automobile interior parts, electric components, etc. for not only the EVs and PHEVs under the Guangzhou Automobile brand, which plays a significant role in the transition to EVs, but also joint ventures with Japanese car manufacturers.

GAC Components and Nidec, realizing the strategic importance of traction motors in the future automobile industry, have agreed to collaborate to produce low-cost, high-efficiency traction motors for Guangzhou Automobile Group.

The joint venture company will exploit Guangzhou Automobile Group's collective know-how on finished vehicles mechanism and Nidec's drive and electronics technologies to develop, manufacture, and sell low-cost, high-efficiency traction motors mainly for Guangzhou Automobile Group, and later, other car manufacturers as well. Further, the joint venture company will hire development engineers locally in China, which is abundant in such resources, to accelerate the pace of product development and design, while utilizing Guangzhou Automobile Group's local purchasing capabilities to promote cost reduction.

2. The New Joint Venture Company:

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|--------------------------|--|
| (1) Name | Guangzhou Nidec Auto Drive System Co., Ltd.
(tentative) |
| (2) Headquarters | Guangzhou, Guangdong Province, China |
| (3) Establishment | September – October 2019 (plan) |
| (4) Main business | Development, production, sale, and after-sales service of automotive traction motor systems and components |
| (5) Registered capital | 600 million yuan (approx. 9.3 billion yen) (plan)
(Investment: Nidec – 51%, and GAC Components – 49%) |
| (6) Representative (CEO) | To be determined |

*The yuan-yen currency exchange rate is based on Nidec's expected FY2019 rate of 15.5 yen per yuan.

3. GAC Components:

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|--|---|--------------------|
| (1) Name | GAC Components Co., Ltd. | |
| (2) Head office | Guangzhou, Guangdong Province, China | |
| (3) Main businesses | Development, manufacturing, and sales of automotive seat systems, interior trim products, and other interior components; body electrical components; and other products | |
| (4) Capital | 1.07 billion yuan (approx. 16.6 billion yen) (as of July 31, 2019) | |
| (5) Representative | Li Jin (Chairman)
Gong Han Qin (President) | |
| (6) Relations between
Nidec and GAC
Components | Capital | No such relations. |
| | Personnel | No such relations. |
| | Business | No such relations. |

*As a private company, GAC Components is exempt from rules of the Tokyo Stock Exchange which requires disclosure of non-consolidated performance or financial conditions for the last three years.

4. Schedule

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| (1) Resolution at a meeting of the Board of Directors | August 1, 2019 |
| (2) Execution of the contract | August 1, 2019 |
| (3) Execution of this transaction | Planned for between September and October 2019. (This period is subject to change based on the status of approval by individual competition regulatory authorities.) |

5. Effect on Financial Performance for the Current Fiscal Year

The Transaction is expected to have no significant impact on Nidec's consolidated financial performance for the fiscal year ending March 31, 2020. Nidec will make additional disclosure on a timely basis in accordance with the rules of the Tokyo Stock Exchange upon determination of further details.

Cautionary Statement Concerning Forward-Looking Information

This press release contains forward-looking statements regarding the intent, belief, strategy, plans or expectations of the Nidec Group or other parties. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors, including, but not limited to, the risks to successfully integrating the acquired business with the Nidec Group, the anticipated benefits of the planned transaction not being realized, changes in general economic conditions, shifts in technology or user preferences for particular technologies, whether and when required regulatory approvals are obtained, other risks relating to the successful consummation of the planned transaction, and changes in business and regulatory environments. The Nidec Group does not undertake any obligation to update the forward-looking statements contained herein or the reasons why actual results could differ from those projected in the forward-looking statements except as may be required by law.

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