

July 05, 2022

## Nidec Elesys Celebrates the Groundbreaking of Its New Serbian Factory

Nidec Elesys Corporation (the “Company” or “Nidec Elesys”) announced today that it has held a groundbreaking ceremony, attended by Mayor Miloš Vučević of Novi Sad, of the Company’s new factory at its planned construction site in the city of Novi Sad, the Republic of Serbia (“Serbia”), at 11:00 a.m. on July 04 (local time).



People attend the groundbreaking ceremony.

### **1. The concept of the new factory**

In the wake of increasingly strict environmental regulations in Europe and automobile CO<sub>2</sub> emissions regulations imposed by major countries, the demand for Nidec Elesys’ automotive inverters and electronic control units (ECUs) is on the increase. By building a new factory in Serbia, the Company will be able to construct an efficient and speedy product supply system in Europe. This plant-building project, which matches the Western Balkans Cooperation Initiative that the Japanese government engages in Serbia and other regions, is receiving tremendous support from the governments of Japan and Serbia.

Serbia is home to large numbers of people with a science and engineering background who are fluent in English. Nidec Elesys, which has been hiring people for its plant’s executive and technical engineering positions to manage Nidec Group companies in Europe in the future, is poised to recruit additional people to launch the new factory.

In addition, as part of its building of supply chains in Eastern Europe and preparations for factory operations, the Company has already started selecting equipment manufacturers and facility operators in Eastern Europe, to contribute to vitalizing the economy of the region and Serbia.

To work as a mother factory to produce inverters in Europe, this plant will be installed with state-of-the-art equipment, while the Company’s inverter development function in Serbia and other places will be enhanced to respond to our European customers’ demands in a timely manner.

## 2. Outlook of Nidec Elesys' new company and the first-phase construction of its new factory

- (1) Name: Nidec Elesys Europe LLC
- (2) Businesses: Manufacturing and sale of automotive inverters and ECUs
- (3) Construction site of the new factory: The city of Novi Sad (app. 90km northwest of Belgrade, the capital)
- (4) Workforce: 200 people (for the first-phase construction only)
- (5) Total site area: 36,000m<sup>2</sup>
- (6) Expected time of completion: Early 2023 (plan)



A rendering of the new Nidec Elesys Europe factory

## 3. Business expansion in Serbia and collaborative ties between Nidec Group companies

The new factory in Serbia will serve as a business base to consolidate Nidec Group's production activities to supply products efficiently in Europe. As multiple Nidec Group companies are planning to launch businesses in Serbia, they will work collaboratively with Nidec Electric Motor Serbia d.o.o. Novi Sad, which is currently under construction (The construction is planned to be completed in October 2022, and the company will manufacture and sell automotive motors and their related products), to help Nidec run its businesses more efficiently than before.

### 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 Transaction not being realized, changes in general economic conditions, shifts in technology or user preferences for particular technologies 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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