



FOR IMMEDIATE RELEASE

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Released on October 24, 2022, in Kyoto, Japan

Nidec Files a Civil Action and a Complaint against Toyo Keizai Inc.

Nidec Corporation (TSE: 6594) (OTC US: NJDCY) (“Nidec” or the “Company”) announced today that it has instituted an action against Toyo Keizai Inc. and concerned individuals, requesting apology advertisements, among others, and submitted to the competent police station a damage report and a written complaint on the defamation by the aforementioned parties, stating that the recent article published by Toyo Keizai Inc. on the Company is false and defames it.

1. Details of the civil lawsuit

- (1) Court: The Tokyo District Court
- (2) Date of filing the lawsuit: October 24, 2022
- (3) Defendants: Editor-in-chief, reporters, and writers for Toyo Keizai Online, Toyo Keizai Inc.
- (4) Address of the defendants: 1-2-1 Nihonbashi, Hongokucho, Chuo-ku, Tokyo
- (5) Details of the demands: Damage compensation, removal of the article in question, and apology advertisements, among others

2. Background leading to the civil lawsuit

Toyo Keizai Online published an article on Friday, October 7, 2022 expressing doubts that Nidec is allegedly conducting insider trading in the acquisition of treasury stock. The article is completely wrong.

Toyo Keizai Online completely misunderstood the section, “Q&A on Insider Trading” (the “Financial Services Agency’s Q&A”), published by the Financial Services Agency on November 18, 2008, and baselessly reported an alleged insider trading in Nidec’s acquisition of treasury stock.

The Financial Services Agency’s Q&A stipulates that an act by a company creating a trust to acquire treasury stock will not be insider trading, provided that the company is not aware of insider information at the time of the creation of the trust, and that, after creating such trust, the company does not provide a trust bank with instructions on the acquisition of the stock. Nidec is in full compliance with the Financial Services Agency’s rules since it confirmed that there was no insider information prior to creating its trust, and executed a contract that provides no instructions on the acquisition of treasury stock after creating a trust.

Whereas, the Financial Services Agency’s Q&A sets forth a rule that “when providing a trust bank with instructions on the acquisition of treasury stock after creating a trust,” a company must provide instructions, such as isolating information between the instruction-providing department and other departments that know material facts, based on material facts.

Toyo Keizai Online misunderstood this rule, which applies “when providing instructions after creating a trust,” and published an article describing the wrong rule that “a company must isolate information even when creating a trust,” falsely claiming that the involvement of the Company’s Chairman in the creation of a trust itself would constitute insider trading.

As the Financial Services Agency's Q&A clearly explains, what matters when creating a trust is not whether information is isolated or not, but whether the individual setting the trust is aware of any material fact or not. Furthermore, Nidec's acquisition of treasury stock cannot be an act of insider trading since, as has been stated above, the Company confirmed, prior to creating a trust, that there was no insider information.

Nevertheless, Toyo Keizai Online published an article based on its obvious misunderstanding that "a company must isolate information even when creating a trust" as if it were true, and reported that the Company allegedly conducted insider trading by determining that such act is a violation of the rules.

Not only does this article in question slander Nidec's honor and reputation, it is confusing the stock market with false information, and such an act is totally unacceptable to us. Therefore, today, the Company filed a civil lawsuit against Toyo Keizai Inc. and concerned individuals requesting apology advertisements among others, and submitted to the competent police station a damage report and a written complaint, to clarify the truth.

Nidec stays committed to engaging in business activities in compliance with laws and regulations.

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