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Nidec Corporation

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Nidec Announces a Plan to Construct “Nidec Institute for Industrial Science”

Nidec Corporation (NYSE: NJ) today announced that it has reached a basic agreement to purchase land in Keihanna Science City in Seika-cho, Soraku-gun, Kyoto, and completed a plan to construct a new building for Nidec Institute for Industrial Science, as described below:

1. Background information leading to the establishment of Nidec Institute for Industrial Science

The Nidec Group’s product portfolio now ranges widely, covering not only a full-lineup of small precision to super-large motors but also module and system products that combine motors with their peripheral components such as fans, controllers, sensors, speed reducers, and pumps, as well as equipment such as robots, press machines, and inspection apparatus.

To further expedite the Group’s growth and create a manufacturing system suitable for the 21st century, we have established Nidec Center for Industrial Science (the “NCIS”) on October 1, 2015, with the purpose of enhancing the Group’s manufacturing infrastructure and adopting advanced technologies. Under the leadership of Professor Masafumi Maeda* of the University of Tokyo’s Institute of Industrial Science, the NCIS will aim to build a wide network of universities, research institutes, and companies, and meet both product- and manufacturing-related needs of our customers around the globe, with Professor Maeda serving part-time as the first head of the NCIS.

2. The NCIS’s roles

While Nidec Research and Development Center, Japan in Shin-Kawasaki, Kanagawa, is doing its research as the world’s leading comprehensive motor research institute, the NCIS will cover the wider range of research and development related to innovative manufacturing, from basic to applied technologies. The NCIS will mainly serve the following three roles during this process:

- (1) Build a new technological foundation to enable the Nidec Group to achieve its 2020 net sales goal of 2 trillion yen, and its 2030 net sales goal of 10 trillion yen, and address technological issues to create future markets and products;

- (2) Operate as the Nidec Group's core of technological creation, and contribute to the entire Group's product development and production technology enhancement; and
- (3) Train engineers to obtain top-level skills that can be utilized globally.

In particular, to realize a manufacturing system suitable for the 21st century, the NCIS will invest its efforts into creating smart factory, equipment, logistic and energy systems, promote IoT strategies, and engaging in the R&D activities for robots and their element technologies (e.g. control, sensor, information, advanced circuit, and other technologies), artificial intelligence, and cloud technologies, among others. In addition to adopting new materials, engineering methods, and processes, the NCIS will also actively try to innovate production technologies in consideration of such new concepts as Industry 4.0 and Industrial Internet.

3. Overview of the land and facility for the NCIS

After internally studying various candidate places in-/outside Kyoto Prefecture to construct the new NCIS building, we have reached a basic agreement with SCSK Corporation, the owner of the land in Keihanna Science City that we decided to purchase.

- (1) Name of the facility:
Nidec Corporation Nidec Center for Industrial Science
- (2) General information:
 - (i) Address: Seika-cho, Soraku-gun, Kyoto
 - (ii) Site area: Approximately 27,000m²
 - (iii) Building area: Approximately 37,000m²
 - (iv) Floors: 4
 - (v) Expected investment: Approximately JPY20 billion (including land, building, equipment, etc.)
- (3) Construction period (plan)
October 2016 – December 2017
- (4) Construction site

Designed as a science city as part of a national project on a hilly area covering Kyoto, Osaka, and Nara Prefectures, Keihanna Science City (official name: Kansai Science City) is conveniently located (within 30km from the central areas of cities of Kyoto and Osaka, and within 10km from the central area of Nara), and home to more than 120 research, university, cultural, and other facilities. The City, easily accessed from Kansai International Airport, Kyoto and Shin-Osaka (Shinkansen, or bullet train) Stations, is suitable for inviting overseas researchers and engineers as well.

The NCIS will be located in this Keihanna Science City, and work closely with the large number of universities, research institutes, and companies in the region, while establishing a branch of Nidec Research and Development Center, Japan in Shin-Kawasaki, Kanagawa (which will establish the NCIS's branch at its site), and connecting these two cities to contribute to the development of Japan's science and technology.

(5) Staffing plan

The NCIS will serve as home to engineers and researchers of Nidec Group companies specialized in manufacturing technologies as well as advanced development, while actively inviting talented people from both inside and outside Japan to engage in research. The Center is planned to be staffed with approximately 1,000 people in the future.

*Professor Maeda's career:

March 1981: Ph.D., Department of Metallurgy Graduate School of Engineering, the University of Tokyo
Doctor of Engineering, the University of Tokyo

April 2005 – March 2009: Director General, Institute of Industrial Science, the University of Tokyo

April 2009 – March 2015: Executive Vice President, the University of Tokyo

April 2015 –: Professor, Institute of Industrial Science, the University of Tokyo (current occupation)



(Conceptual drawing)

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