



## FOR IMMEDIATE RELEASE

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### **Notice Regarding Adoption of New Performance Share Plan for Executives in the Country and Overseas**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company”) hereby announces that the Board of Directors of the Company, in its meeting held on April 24, 2018, resolved to adopt a new performance-linked and share based incentive plan (the “Plan”) for Executives in the country and overseas (the “Executives”).

#### **1. Adoption of the Plan**

- (1) The Nidec Group endeavor to strengthen the management and management setup to aspire sustainable corporate value expansion with the motto; “High Growth, High Revenue, High Stock Price”. For the medium, long-term growth strategy, the Nidec Group launched and announced medium-term management plan called “Mid-Term Strategic Goal”.

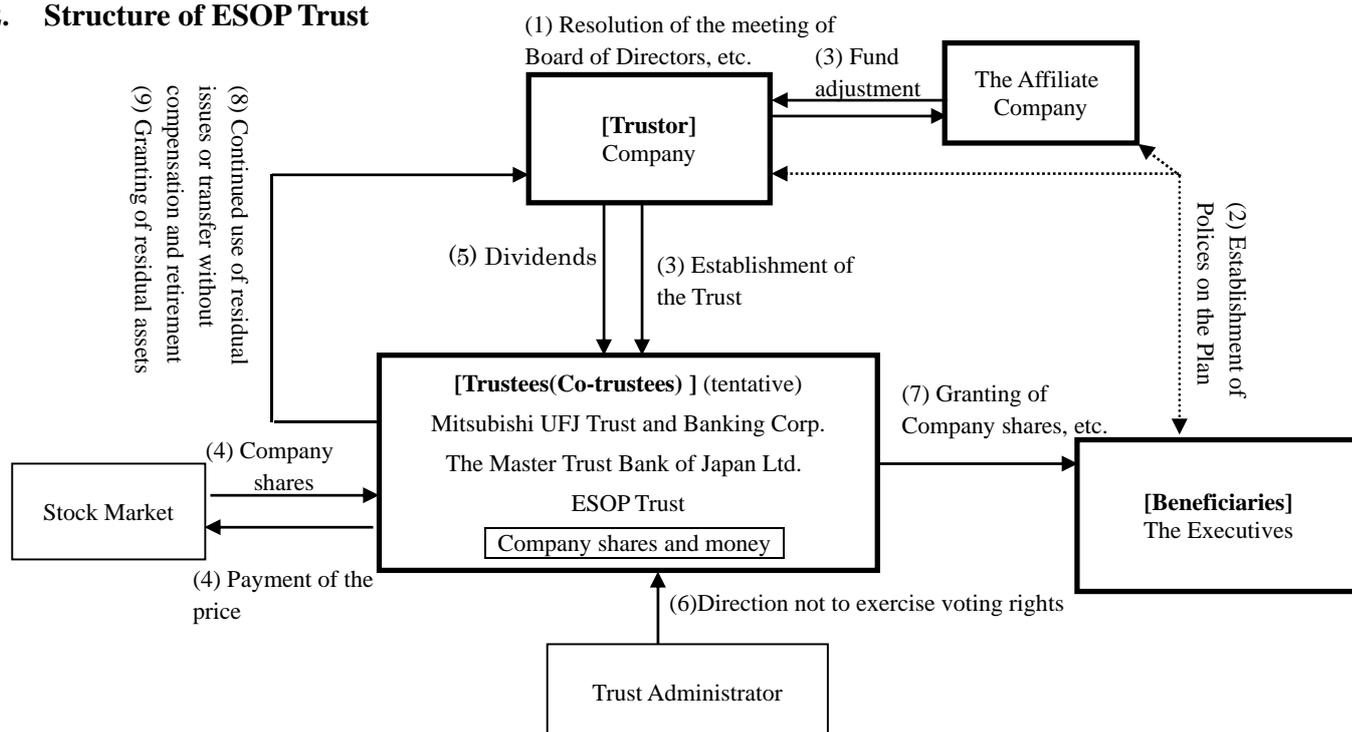
The Company and the Affiliate Company in Japan and outside of Japan will adopt a common global incentive plan, to attain performance targets specified in the “Mid-Term Strategic Goal” medium-term management plan and medium, long-term corporate value expansion as “One Nidec”.

At the same time, on April 24, 2018, the Company also adopted a corresponding incentive plan to the Directors (excluding the Company Outside Directors), Executive Officers, and individuals who have the equivalent status of the Company, and the Directors (excluding Outside Directors) and Executive Officers of the Affiliate Company. For further detail, please refer the Timely Disclosures “Notice Regarding Adoption of New Performance Share Plan for Members of the Board of Directors, etc.”.

- (2) For the Plan we adopt will be using a compensation structure called “Employee Stock Ownership Plan” Trust (the “ESOP” Trust). An ESOP Trust is designed as an employee incentive plan based on the Plan in the United States. It is designed to grant or pay (the

“granted, etc.”) the Company’s shares or cash in the amount of the converted value of such shares (the “Company’s shares, etc.”) acquired by the ESOP Trust to the Executive according to the position and their degree of achievement of performance targets.

## 2. Structure of ESOP Trust



- (1) With respect to the adoption of the Plan, the Company and the Affiliate Company will obtain an approval at their respective meeting of the Board of Directors, etc.
- (2) The Company and the Affiliate Company will establish the Policies on the Plan at the meeting of the Board of Directors, etc. with respect to the adoption of the Plan.
- (3) The Company will entrust money and establish an ESOP Trust (the “Trust”) wherein the Executives who meets the beneficiary requirements are beneficiaries. The amount equivalent to the trust money will be absorbed by the Affiliate Company concerned based on each company’s number of the person covered by the Plan.
- (4) The Trust will acquire the Company’s shares from stock market using the funds entrusted in (3) above, in accordance with the instruction of the trust administrator. The Company’s shares within the trust will be managed according to the amount equivalent to the trust money which each company absorbs.
- (5) Dividends of the shares of the Company under the Trust will be paid in the same manner as those on other shares of the Company.
- (6) Voting rights will not be exercised during the Trust term with regard to the Company’s shares under the Trust.
- (7) During the trust period, a certain number of units will be awarded to the Executives covered by the

Plan according to executive position and the degree of achievement of performance targets. The Executives who meets the requirement for beneficiaries, will be awarded the Company's shares, etc. that corresponds to the number of unit (To comply with the trust contract, beneficiaries, in principle, will be awarded the Company's shares equivalent to 50% of the Company's shares corresponding to their accumulated units (odd-shares will be rounded off). Meanwhile, the Company's shares in a number equivalent to the remaining units will be converted into cash in the Trust in accordance with the Trust Agreement and beneficiaries will be awarded monetary equivalent. However, as for non-resident of Japan will be awarded the cash converted in the Trust, which is equivalent to 100% of the Company's shares corresponding to their accumulated units).

- (8) If there are residual shares at the expiry of the trust period, the Company will either continue the Trust for use in the Plan or for other similar share-based incentive plans by making amendments to the Trust Agreement and additional contributions to the Trust by a resolution of the Board of Directors, etc. Or, the residual shares will be transferred from the Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.
- (9) Residual properties after distribution to beneficiaries at the end of the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated by deducting the funds to acquire Company shares from the trust money. The portion exceeding the allowances for trust expenses will be donated to groups that have no conflict of interest with the Company and the Affiliate Company.

Note: If the number of the Company's shares under the Trust run out during the trust period due to granting of the Company's shares, etc. to the Executives covered by the Plan, who meet the beneficiary requirements, the Trust will be terminated prior to the expiry of the trust period. Besides, the Company and the Affiliate Company may entrust additional money to the Trust for use in acquisition shares of the Company.

**(Reference)**

**[Trust Agreement]**

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|----------------------------------|---|
| (1) Type of Trust                | Monetary trust other than an individually operated designated money trust (third-party benefit trust)   |
| (2) Purpose of Trust             | Provide the Executives with incentives  |
| (3) Trustor                      | The Company   |
| (4) Trustee                      | Mitsubishi UFJ Trust and Banking Corporation (tentative)<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)  |
| (5) Beneficiaries                | The Executives covered by the Plan, who meet the beneficiary requirements   |
| (6) Trust administrator          | A third person who has no conflict of interest with the Company and the Affiliate Company (Certified public accountant)   |
| (7) Date of trust agreement      | July 26, 2018 (tentative)   |
| (8) Trust term                   | July 26, 2018 (tentative) to August 31, 2021 (tentative)  |
| (9) Start of the Plan            | July 26, 2018 (tentative)   |
| (10) Exercise of voting rights   | No voting rights will be exercised  |
| (11) Type of acquired shares     | Common Company shares   |
| (12) Amount of trust money       | 0.38 billion yen (tentative) (including trust fee and trust expenses)   |
| (13) Period of share acquisition | July 27, 2018 (tentative) to August 27, 2018 (tentative)  |
| (14) Manner of share acquisition | To be acquired from the stock exchange market   |
| (15) Granted rights holder       | The Company   |
| (16) Residual properties         | Residual properties that the Company, which is the holder of granted rights, can receive are within the extent of allowances for trust expenses, etc., which are calculated by deducting funds to acquire the Company shares from the Trust money |

(Note)The tentative dates given above are subject to change to appropriate dates according to the applicable laws and regulations.

**[Affairs related to Trust and Shares]**

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| (1) Affairs related to trust           | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. will be the Trustee of the Trust and will engage in affairs related to the Trust.         |
| (2) Affairs related to granting shares | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in affairs related to granting Company shares to Beneficiaries based on the agreement of entrustment of affairs. |