



Cover photos and pictures

Featured on the front and back covers of this report are lively snapshots of Nidec employees' jolly-looking children and pictures drawn by them, capturing their happy little moments of harmonious contact with nature. The Nidec Group envisions a sustainable future where a harmonious balance between nature and human activities safeguards the interests of children and generations beyond.



Staying Competitive as a Socially Desired Business Even 100 Years from Now



Dear valued stakeholders,

More clearly than ever, the lively echoes of the burgeoning technological transformation are rippling across every industry, through every market, and gradually into every texture of our daily lives. As far as anyone can tell, it is not just another incremental enhancement to conventional technologies. The transformation now taking shape is a once-in-decades kind of breakthrough—a real game changer that would give birth to an astonishing variety of epoch-making goods and services.

At the same time, the world is tackling the overwhelming side effects of the existing model of economic growth, such as chronic power shortages in emerging countries, excessive CO₂ spewed from thermal power plants and transportation, and a surge in road crashes that reflects an increasingly car-dependent world. Indeed, there are countless global-scale issues for businesses to address.

Since its earliest days in business, Nidec has gone through a number of crossroads to keep track of the evolving needs of the electric motor market with one key question in mind—what does it mean to be able to fulfill “global needs” in the true sense of the word? Today, we are in a position to answer that question at a level commensurate with our leadership status in the global motor industry.

Electric motors power just about every present-day spinning/moving mechanism. They work tirelessly to bring indispensable benefits into everyday life, forming the bedrock of a convenient and comfortable society. Maybe this is common knowledge. What is less known, however, is the fact that electric motors consume approximately half of the electricity generated worldwide to do their jobs.

In 2016 Nidec is passing through yet another crossroads that will lead its businesses to the next level of growth. Our new medium-term strategic goal, Vision 2020, is a stepping stone that sets the stage for Nidec to evolve into the world’s No.1 all-round electromechanical device manufacturer. The new growth path will give Nidec a broader scope in addressing true global needs—from environmental and social perspectives—beyond business as usual.

Medium-term Strategic Goal: Vision 2020

Vision 2020 brings into view the big picture of the global-scale transformative changes in technological, social, and environmental landscapes. It lays out how we are going to make a difference by giving our motor-drive expertise greater technological breadth and depth—from electro-mechanical controllability to IoT capabilities—regardless of existing market and application boundaries. The main numerical targets set under Vision 2020 include sales of 2 trillion yen and an operating income ratio of 15% for the fiscal year 2020.

On the manufacturing front, we will seek the best man-machine interplay to establish a more flexible, energy-efficient, and productive environment. Human touch and intuition, paired with advanced automation and computerization, will bring a crucial edge to our operations going forward. Meanwhile, on the personnel development front, we will quicken the pace of our initiative to foster internationally diverse talent and leadership. The trick is to breathe a new perspective into the way we work. Today’s breathtaking speed of change has rapidly redefined what it means to be a competent, high-performing workforce. It now takes more diverse individual skill sets and creative sensibilities to stay capable of spotting opportunities amid challenges. Getting more work done in less time will not only drive us further ahead at work but also give us more scope to broaden our horizons outside of work.

In August 2015, we participated in the United Nations Global Compact (UNGC) as part of efforts to take our CSR practices to new heights. The UNGC advances 10 universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption. Becoming a signatory of the UNGC has offered us an opportunity to renew our commitment to aligning our operations with long-term social sustainability goals. Moreover, weaving such international norms and values into the fabric of corporate practices will help us stay oriented toward shared objectives wherever we operate around the world.

Feeling the breath of a new era of innovation, we are poised to prove our true worth as a global business that is capable of producing environmentally and socially desirable outcomes even 100 years from now.

June 2016

永野重信

Shigenobu Nagamori

Chairman of the Board,
President & Chief Executive Officer (CEO)

Mission Statement

Nidec Corporation’s mission is to contribute to the development of society and welfare of the general public around the world. Nidec aims to do so by supplying the highest quality products. Our company is sincerely and enthusiastically dedicated to the trinity of technology, expertise, and modern science. Thereby, Nidec strives to promote the prosperity of our society, our company, and all our employees.

Basic Management Creed

Employment stability based on sustainable business growth.

Available supply of highest quality, indispensable, and widely desired products for the common good of all.

Pursuit of the top leader position in each of the company’s chosen paths.

The Nidec Group Seeks to Become a World-leading Company

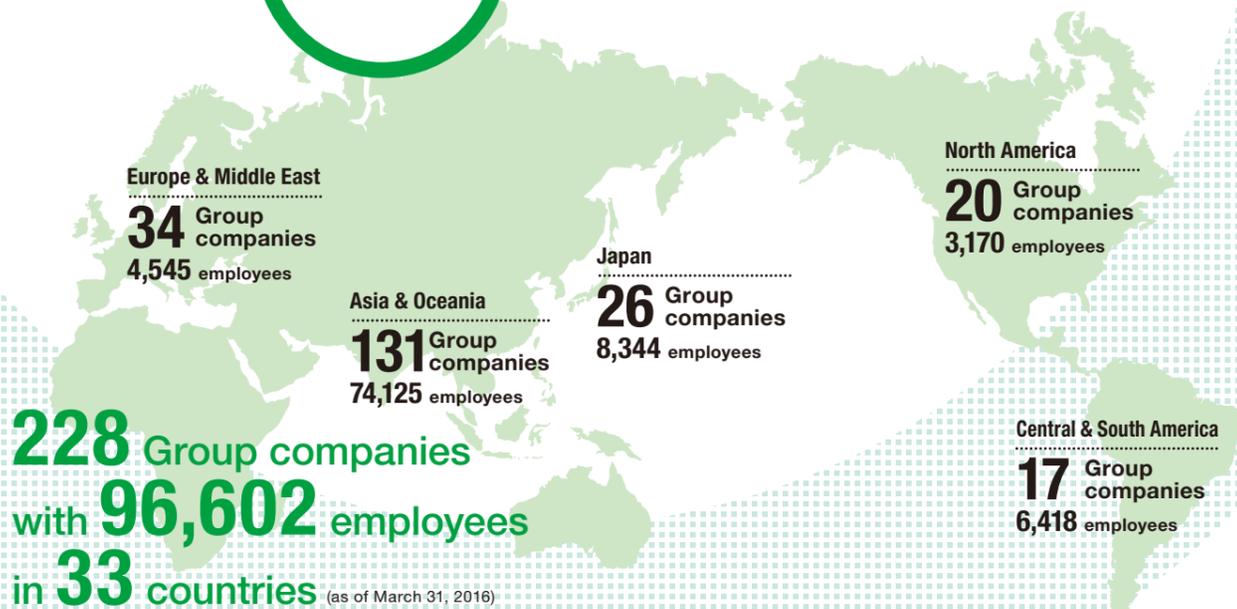
Since its foundation in 1973, Nidec has been providing the world with indispensable products to improve the quality of people's lives, while developing industries as the world's leading general motor manufacturer.

At the same time, we have achieved dramatic growth, both through autonomous growth and by expanding our fields of business using active M&A as a driver.

Today, Nidec offers a wide variety of motors ranging from micro-size to super-large, as well as application products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other businesses.

In striving to be a world-leading company, Nidec will continue to take up challenges.

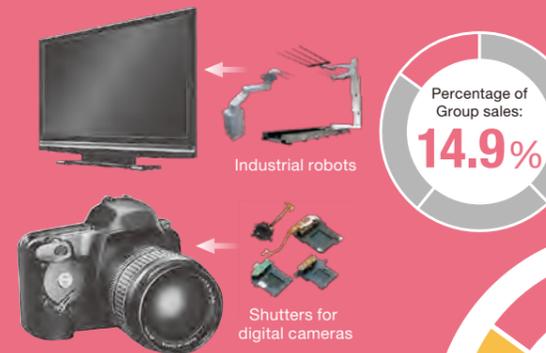
Like-minded Workmates



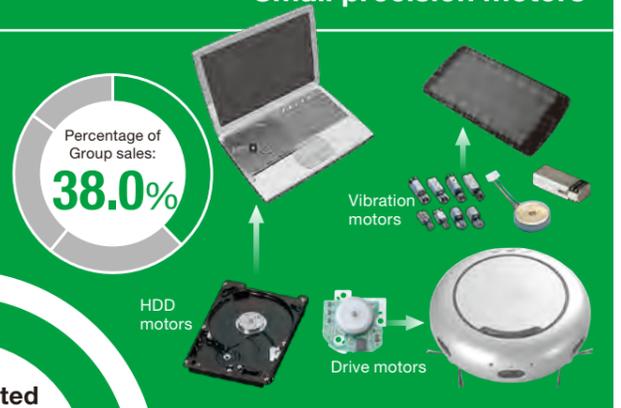
Nidec Products Spinning and Moving in Our Daily Lives



Other products

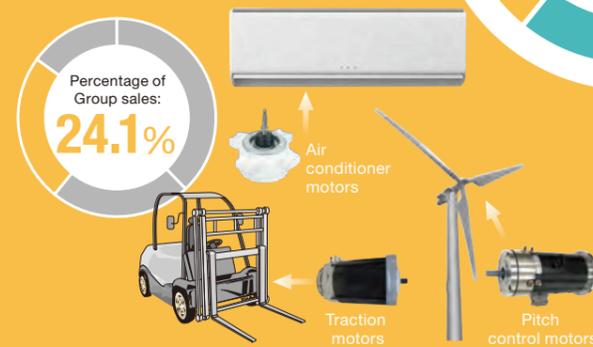


Small precision motors

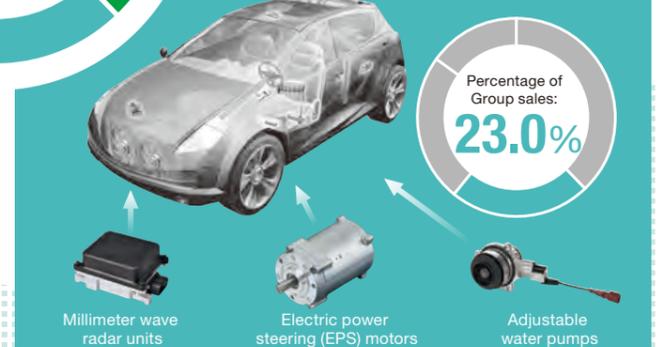


Consolidated net sales
1,178.3 billion yen
(for FY2015)

Appliance, commercial, and industrial products



Automotive products



CONTENTS

From Our Chairman.....	01
Business Overview.....	03

Special Feature: Nidec's Medium-term Strategic Goal "Vision 2020"

Bringing Smiles to People's Faces by Connecting the World with Products That Spin and Move.....	05
Becoming a Solution Company That Supports People's Lives and the Global Environment.....	07
The Future Has Already Begun.....	09

Nidec's CSR

The CSR That Nidec Aims to Achieve.....	11
Nidec's Code of Conduct.....	13
Environment.....	15
Society.....	17
Corporate Governance.....	19

Workmates Closeup..... 15-20

Action Album — Many Hands, One Mind—.....	21
Corporate Profile.....	21
About the CSR Report 2016, Editor's Note.....	22

Bringing Smiles to People's Faces by Connecting the World with Products That Spin and Move

A new world is coming where connections between things and between people and things dramatically change people's lives and society.

Nidec connects people with things by providing products that spin and move, that enrich people's lives, and that contribute to the conservation of the global environment.

Nidec's attempt to realize a future filled with people's smiles has already begun.



Medium-term Strategic Goal "Vision 2020"

Mission Statement

Nidec Corporation's mission is to contribute to the development of society and welfare of the general public around the world. Nidec aims to do so by supplying the highest quality products. Our company is sincerely and enthusiastically dedicated to the trinity of technology, expertise, and modern science. Thereby, Nidec strives to promote the prosperity of our society, our company, and all our employees.

The Theme of the Medium-term Strategic Goal "Vision 2020"

Evolve into a solution company that supports people's lives and the global environment with products that spin and move

Motors, which are vital to products that spin and move, are the core components of all electric products and are essential in making people's lives rich and comfortable. On the other hand, motors are having a tremendous impact on the global environment, leading some to believe that they account for approximately half of the world's power consumption. Nidec aims to make high-efficiency motors, broaden their use, and reduce the world's power consumption. Doing so will contribute to reducing CO₂ emissions, enhancing the economic development of power shortage-stricken emerging economies, and improving the lives of those fighting poverty. Nidec will promote the integration of its core, motor-based driving technology with control, communications, and other new technologies to electrify vehicles, realize cloud-based information management, and provide robot-advancing products and services. Responding to the needs of people all over the world to live a rich and pleasant life, Nidec will address social issues such as the environment, low birth rates, and aging populations, while contributing to realizing sustainable development.*

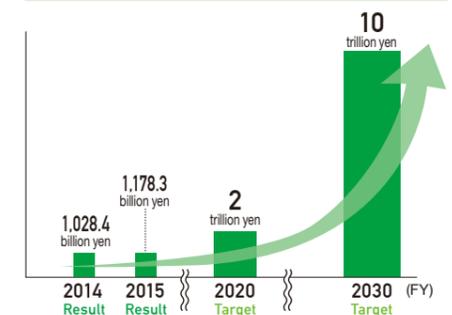
*Sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". It is a core notion in "Our Common Future," a report that the UN's World Commission on Environment and Development released in 1987. This notion—which views the environment and development as elements that can coexist in harmony, not in conflict—advocates environmentally friendly, well-modulated development.

Sales Target Based on Vision 2020

Aiming to achieve 2 trillion yen in FY2020 and 10 trillion yen in FY2030

After its Group-wide net sales exceeded 1 trillion yen in FY2014, Nidec set as its next milestone net sales of 2 trillion yen in FY2020. For the past decade or so, Nidec has been largely dependent on the IT market. As part of its effort to reduce this dependency, Nidec will further transform its business portfolio by focusing more on the automotive, appliance, commercial, and industrial markets. This is in line with the goals of Vision 2020, the medium-term strategic initiative launched in FY2016. The company is targeting 2 trillion yen in net sales in FY2020, followed by an even larger net sales target of 10 trillion yen in FY2030.

Consolidated net sales (results & targets)



Ever since its foundation, Nidec has focused on the development, manufacturing, and sale of motors. Without a doubt, Nidec's core competence is its motor-based driving technology, which Nidec has established by responding to the market's latest needs. Going forward, Nidec will need to expand its horizons and evolve itself by anticipating what will happen in the near future. Thus Nidec will evolve into a solution company based on its manufacturing capabilities, while considering what will be needed for the future of the global environment and accurately responding to future issues in society.

Becoming a Solution Company That Supports People's Lives and the Global Environment

What will motors, whose main job is to move things, be able to do if they are provided with information-handling functions?

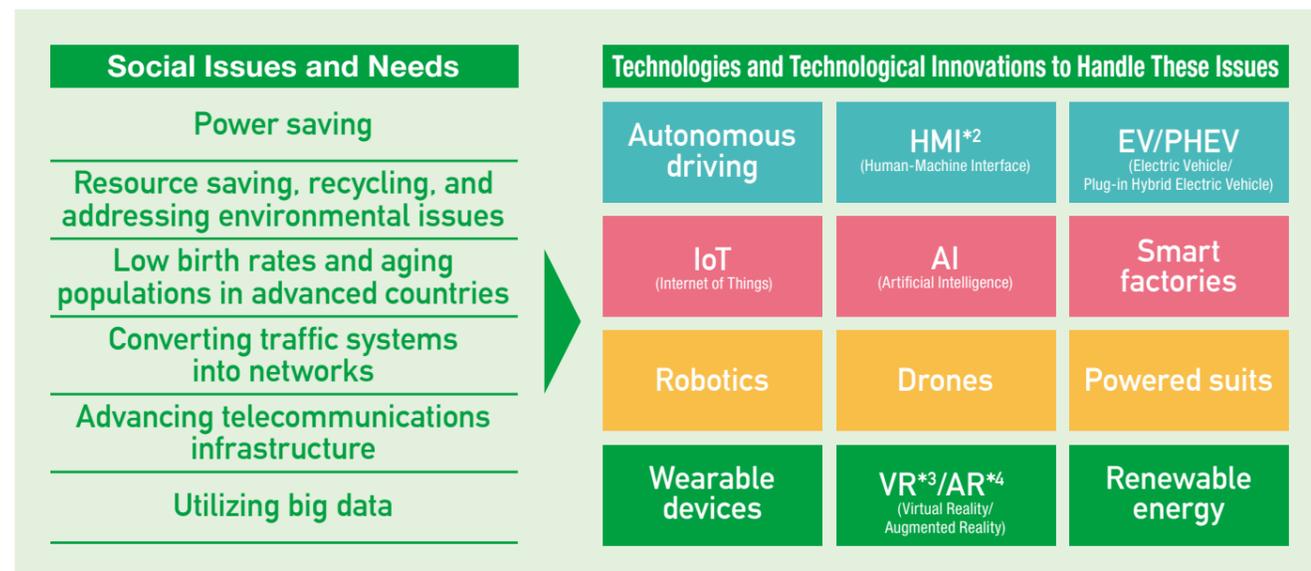
Motors and other driving systems operating all over the world, if interconnected as one, will bring about numerous solutions that no one has ever thought of.



Aiming to Become an Indispensable Company That Can Solve Human and Global Issues

Creating the future with new products and businesses via technological innovation

To reduce traffic accidents and congestion, and suppress CO₂ emissions, actions have been launched to make car-driving more autonomous and the traffic system more efficient. In the area of robotics, on the other hand, service robots that support humans in various domains of life are being introduced to supply labor needs caused by a low birth rate and an aging and declining population. The Nidec Group will adopt IoT*1 (Internet of Things), AI (Artificial Intelligence), and other advanced technologies and technological innovations, create new products and businesses, and evolve into an indispensable company that can solve human and global issues.



*1: IoT (Internet of Things): A network of all physical objects interconnected via the Internet.
 *2: HMI (Human-Machine Interface): A general term for devices, software, and other things that enable humans to exchange information with machines.
 *3: VR (Virtual Reality): Technology to experience a computer-generated virtual space as if it were reality.
 *4: AR (Augmented Reality): Technology that uses a transmissive display or smartphone to superimpose characters, images, etc. on a real image.

Change the World by Interconnecting Things That Spin and Move

Integration of supercomputers and motors

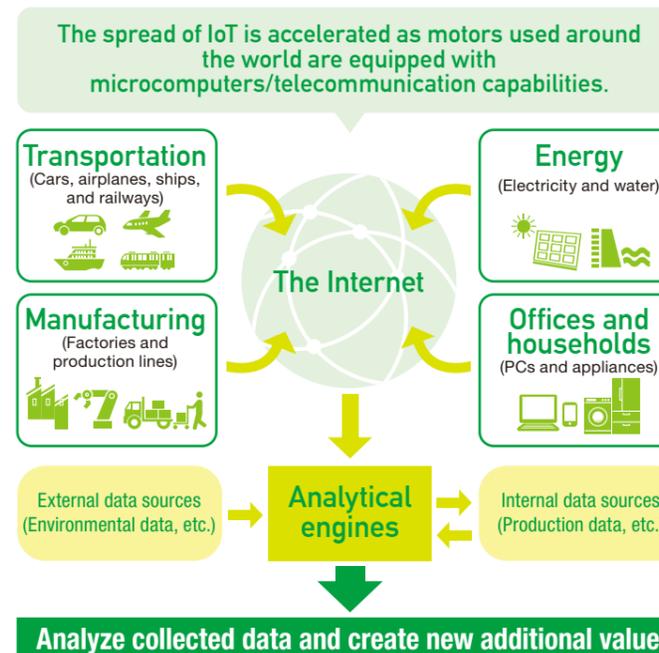
Current smartphones are as smart as supercomputers that would have cost 3 billion yen 40 years ago. By 2025, microcomputers with the same level of smartness as current ones will cost approximately 50 yen each, and they will be small enough to be installed in motors. In a few years, a new era will arrive. Nidec factories will be shipping out, one after another, "intelligent motors" equipped with microcomputers that control rotation and enable communication with the outside world. This new era will bring many convenient products and systems, such as air conditioners and other appliances that users can control from afar and that operate automatically and optimally, self-driving automobiles, and smart factories that produce and transport products automatically. Motors that will not only operate via remote control but also think and function optimally by themselves will dramatically change our lives and society. While making our lives richer and more convenient, these motors will also eliminate redundant operations at factories, significantly reduce power consumption, and contribute to solving environmental issues.

The arrival of an age where everything will be connected to the Internet

Now is the time of IoT, where everything—from appliances and cars to factories' manufacturing equipment—is connected to the Internet. Information from these things will not only be processed real-time in machine-machine communications, but also accumulated as data. Analyzing such accumulated big data and providing feedback for operation and production planning, design, and product development will enable us to add new value. This age of IoT vitally requires, among other things, technology to analyze such big data, AI to promptly process and optimally control an enormous amount of information, and HMI to interconnect humans and machines. The Nidec Group will, with its motor-based drive technology, utilize open innovation and keep in close contact with outside R&D institutes and other organizations as it engages in IoT research and development.

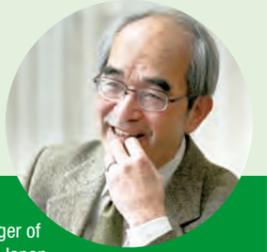
Ubiquitously used motors to play vital roles in IoT

Motors, essential in the 21st century's industries, are used everywhere. Intelligent motors, in addition to spinning and moving, will work as sensors to transmit data as primary devices in the age of IoT. The Nidec Group supplies the entire globe with motors, motor-based modules and units, as well as motor-using manufacturing devices, inspection machines, and industrial robots, among many other products. Interconnecting these hardware devices using IoT technologies in various fields and analyzing data collected in them will enable us to see characteristics and trends that have never been seen before. For example, the solar-powered irrigation water pumps that Nidec sells in India can combine their past operation records with weather and other data to help us propose more productive farming methods than conventional ones.



Message

The Nidec Group ships to the world 300 million motors each month. These motors, when connected to networks, create significant value. For example, Professor Jun Murai of Keio University said 20 years ago, "The time will come when you'll be able to understand the extent of precipitation in any given place in the world by analyzing the movement of vehicles' windshield wipers." Such a prediction will now become reality. Likewise, analyzing the operation of motors in the world will yield new ideas on industrial and economic trends. Also, controlling motors to operate optimally will lead to a significant reduction in power consumption. Intelligent motors thus have great potential to transform society.



Yasushi Fukunaga
 First Senior Vice President, General Manager of Nidec Research and Development Center, Japan

The Future Has Already Begun

The brushless DC motor for HDDs, which Nidec made commercially usable ahead of other companies in 1979, has facilitated the subsequent miniaturization of computers. Since then, the Nidec Group's product portfolio has been expanded to now cover all types of motors—ranging from small precision ones to super-large ones—as well as their peripherals and application products. Just as one small motor changed the future of the computer, the Nidec Group's products and services will bring drastic changes to people's lives and society—such a future has already begun.



Shaping the Future Based on the Trinity of Technology, Expertise, and Modern Science

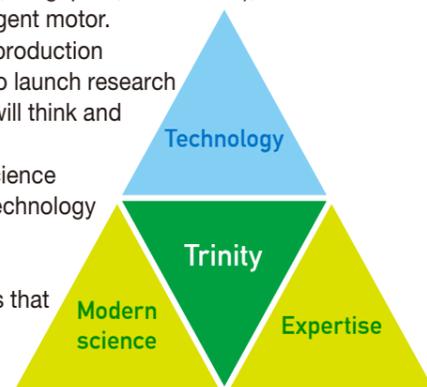
Innovate manufacturing technology based on the trinity of technology, expertise, and modern science

Nidec has been sending HDD motors and many other world-first and -smallest products to the world. All of these products are the result of employees' passion in the manufacturing workplace and of ideas born there. Nidec's strength has been its product development system, which can promptly make what the market needs and mass-produce reliable, high-precision products in larger quantities and at lower cost than anywhere else.

Now, as technological innovations represented by IoT, autonomous driving, and service robots advance rapidly, motors, like other products, are required to have unprecedented and innovative functions and performance. This trend prompted us in 2012 to establish Nidec Research and Development Centers in three locations in Asia (Japan, Singapore, and Taiwan), with the aim of becoming a world-leading company by creating unprecedented products like the intelligent motor.

The Nidec Center for Industrial Science was founded in 2015 to establish innovative production technologies in the area of craftsmanship/manufacturing technology. The center aims to launch research and other activities that realize smart factories where robots, independent of humans, will think and operate by themselves.

Going forward, Nidec will practice the trinity of technology, expertise, and modern science described in its Mission Statement, while innovating its craftsmanship/manufacturing technology based on three core elements: Nidec Research and Development Centers that create new technologies based on fundamental scientific research; development engineering departments that use their high technological capabilities to promptly develop products that meet market needs; and the Nidec Center for Industrial Science, which seeks to create new craftsmanship/manufacturing methods at the highest levels of expertise.



Message

The Nidec Center for Industrial Science's role is to establish innovative 21st century manufacturing technologies that support IoT-based "Industry 4.0" and "Made in China 2025," based on Nidec's core competence of craftsmanship/manufacturing technology. The Nidec Center for Industrial Science also aims to not only create production technologies but also build new technologies, such as new materials and systems, which defy the boundaries of conventional products. When unable to solve an issue with the current technology, we will return to the realm of science and examine the issue closely to solve it from a new angle.

Adding new value such as IoT-based automatic and high-mix, low-volume production technologies to the Nidec Group's already highly technological manufacturing sites will, without a doubt, enable us to make even more competitive products.



Toyohei Nakajima
Vice President, Deputy Executive General Manager of Nidec Center for Industrial Science

Nidec's Medium-term Strategic Goal Vision 2020

The Nidec Group's Innovative Technologies Offer a New Avenue in the Age of IoT



Nidec's Solar-powered Irrigation Pump System Contributes to Farmland Expansion in India

India is facing worsening power shortages due to increasing power consumption, while many of its regions remain without electricity at all. In these areas, where electric pumps cannot be used, agricultural lands remain unsuitable for development or active use. At the same time, engine pumps, for which a stable supply of light oil is difficult to secure, generate a large amount of CO₂. Responding to the request of India's Prime Minister Narendra Modi in 2014, Nidec developed a high-efficiency solar-powered irrigation pump system that utilizes Nidec's driving and electricity-charging technologies. Though the system is still in the proof-of-concept experimental stage, Nidec aims for the product's early diffusion in India, so that it may contribute to the country's agricultural land expansion. Additionally, Nidec will apply IoT technologies to this system to optimize the pumps' operations and failure-prognosis functions. It will also collect data from temperature/humidity sensors and other devices and combine them with external weather and other data to help increase India's agricultural productivity.



▲ Solar panels



▲ Pump system



Building a Smart AGV-based High-efficiency Transportation System

Nidec-Shimpo's AGV (Automated Guided Vehicle) is equipped with a precision reducer and brushless DC motors based on the world's leading advanced technology. This AGV is smaller and quieter than conventional models, and it operates guidelessly (without the use of magnetic tape on the floor as an operational guide). These high-performance AGVs are widely used in factories, warehouses, and other buildings, as well as for various companies' logistics systems. Nidec is developing IoT function-equipped smart AGVs, which not only operate guidelessly, but also have other functions such as operating in line and assisting humans with their movements. Additionally, collecting vibration and noise data from smart AGVs' individual sections makes failure prognosis possible, while collecting and analyzing location and operation data enables the efficient proposal of operation plans.



▲ Smart AGV (S-CART)



Tactile Devices Connect Things, Humans, and Destinations

In the age of IoT, where various things are connected with humans, new human-machine interfaces play important roles. The Nidec Group develops tactile devices that feed back various senses during machine operation. The devices are used in PCs, smart watches, smartphones, gaming consoles, and other products. These tactile devices, which provide feedback to a finger when it touches a touch panel, enable two-way, non-visual communications with a digital device. Tactile devices using a false sense of feeling can make users feel as if someone were taking their hand and guiding them to an intended destination. Such sensory interfaces have great potential to be used as support devices for visually impaired people.



Nidec's FDB^{*1} Motors Open the Door to the World of VR

VR products are now becoming widely used in games, and other VR products are being created continuously. Nidec's FDB motors are used in Taiwanese company HTC's VR systems, which reportedly provide the most advanced VR experience among all commercially available VR devices. A LIDAR^{*2} function is used in this VR system to detect the user's actual location and movements and to link them to a VR space. Nidec's FDB motors were chosen for the LIDAR, which requires motors that rotate consistently even at low speeds. LIDAR technology-based business opportunities will expand limitlessly, from VR gaming and other businesses to markets for air conditioners and other appliances, autonomous driving vehicles, robots, and drones. The Nidec Group is poised to further evolve the LIDAR technology and develop new markets.

*1: FDB (Fluid Dynamic Bearing) motor: A motor that uses a fluid (oil) for its bearings. FDB motors produce low levels of noise and vibration, are highly shock-resistant and durable, and consume low levels of power.
*2: LIDAR (Laser Imaging Detection and Ranging): A laser-based image-detection and distance-measuring function.



▲ A laser beam is irradiated from the lighthouse to reflect the user's location and movements in the VR



▲ VR kit. Nidec's FDB motor is installed in the lighthouse (a LIDAR device)



The CSR That Nidec Aims to Achieve

Nidec's CSR (corporate social responsibility) comprises business activities that aim to conscientiously create products and technologies that contribute to society as well as far-sighted activities that benefit local communities. Our CSR contributes to the world by making products that spin and move and that support a bright and prosperous future.



CSR Vision 2015



In FY2010, Nidec established its medium-term CSR vision, which sets FY2015 as a milestone, and launched activities to address three areas of focus: expanding the scope of CSR management, conserving critical ecosystems, and using water resources sustainably. These will continue to be our areas of focus.

Areas of Focus | Actions from FY2010–FY2015

Society's request	Expanding the scope of CSR management	In recent years, the Nidec Group's area of business has been expanding rapidly and globally via M&A and other activities, with 228 consolidated companies operating in 33 countries as of March 31, 2016. This is a 61% increase from March 31, 2010, when 142 consolidated companies were operating in 19 countries. As more and more companies became consolidated in the Nidec Group, the rate of net sales from its member companies systematically promoting CSR activities in the entire Group decreased to approximately 50% at one point in time; however, intensive efforts to expand the area of CSR management has successfully enabled us to increase the figure to approximately 75% as of March 31, 2016.
Biodiversity	Conserving critical ecosystems	The Nidec Group has been continuously engaging in tree planting and other conservation activities per business unit. In Thailand, for example, Nidec employees have so far planted a total of 9,110 mangroves as part of tree planting activities that have been held annually* since FY2007.
Environmental burden	Using water resources sustainably	The Nidec Group has been saving and recycling water continuously. Our six-year (FY2010–FY2015) average of water intake and discharge on an intensity basis has decreased by 9.8% at our production sites and by 38.9% at our non-production sites, compared to FY2009 figures.

*Except for FY2012, when operations were halted due to flooding.

From Our CSR Officer

The Nidec Group, fulfilling its CSR by integrating its motor-based driving technology with control, communications, and other new technologies, and by providing solutions while meeting the world's needs, aims to be an indispensable business enterprise for the next 100 years and beyond.

We have released CSR Vision 2020, a five-year plan that covers up to FY2020, as a successor to CSR Vision 2015, the medium-term plan that has been in place so far. While CSR Vision 2015 has led us to achieve a certain level of success based on the three areas of focus—expanding the scope of CSR management, conserving critical ecosystems, and using water resources sustainably—the newly established CSR Vision 2020 has wider areas of activity, with eight tasks in the areas of the environment, society, and governance.

On the environment front, we will reduce our business-generated environmental burden, while trying to develop and propagate environmentally responsible products and while further improving our environmental conservation activities as a member of local communities.

To meet society's needs, we will improve our work environment so that all Nidec employees bring out their best at work. We will do this by reforming our

employees' mindsets and improving our corporate culture. We will also intensify efforts across the entire Group's employee training system to nurture people to be globally competitive.

In the area of governance, we will further improve corporate ethics, internal control, and risk management systems to keep our workplace safe and comfortable.

The Nidec Group's CSR is carried out by our approximately 100,000 employees working in 33 countries and regions around the world. Under the motto, "Connect the world with products that spin and move, and bring smiles to people's faces," every Nidec employee will be aware of CSR, work conscientiously every day with "Nidec pride," and participate actively in volunteer and other activities as a member of the local community. In this way, Nidec will fulfill its CSR.

Your continued understanding will truly be appreciated.



Akira Sato
Executive Vice President and
Chief Financial Officer (CFO)

CSR Vision 2020 Plan

Under the new CSR Vision 2020, formulated based on the Vision 2020 medium-term strategic goal launched in FY2016, we execute actions in eight areas of focus. These were selected from the three categories of the environment, society, and governance (ESG).

	Priority Issues	Target	KPI
Environment E	Environmental load reduction	Consistent reduction in energy consumptions and environmental emissions attributable to operations	5% reduction (intensity) from FY2015 benchmark
	Environmental contribution through products	Quantitative assessment of product-specific environmental performance	Overall framework in place for measuring total CO ₂ emissions reduced per year
	Environmental conservation	Active participation in local environmental conservation efforts	Specific action program in place at each business unit
Society S	Diversity	A diverse workforce and leadership	Specific action program in place at each business unit
	Globally competent talents	Training programs in place on a group-wide basis	Number of program participants or workshops held
Governance G	Corporate ethics	Code of Conduct aligned with internationally accepted standards	EICC*-based CSR management system covering 80% of operations worldwide
	Internal control	Consistent management soundness and transparency	Strict compliance with internationally accepted corporate governance guidelines
	Risk management	Highly viable risk management procedures implemented on a global basis	Global risk management system adopted by all operations

▲ Eight important tasks were selected based on both social factors and on our own perspectives in our relationships with the company's stakeholders, e.g. customers, supply chain partners, local communities, employees, shareholders, and the global environment.

*EICC (Electronic Industry Code of Conduct): Internationally recognized standards for socially responsible business practices published by the Electronic Industry Citizenship Coalition for an entire supply chain's business activities, comprising five sessions: labor, health and safety, environmental practices, ethics, and management systems.



Nidec's Code of Conduct

Since its foundation in 1973, Nidec has been using its Mission Statement as the basis of its business management. In addition, we introduced the Basic Management Creed and the CSR Charter to the entire Nidec Group in 2008. The CSR Charter, which we use as a code of conduct to realize the Mission Statement and the Basic Management Creed, describes basic notions on how we should establish and maintain good relations with society. Further, Nidec joined a voluntary initiative called the United Nations Global Compact in August 2015, and publicly announced support for the 10 principles in four areas (human rights, labor, the environment, and anti-corruption) that the UN advocates. We are poised to further improve our actions to promote the initiative.

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Basic Management Creed

Employment stability based on sustainable business growth

Available supply of highest quality, indispensable, and widely desired products for the common good of all

Pursuit of the top leader position in each of the company's chosen paths

CSR Charter

With a keen awareness of our responsibilities as a part of society, the Nidec Group pursues the common good by offering globally welcomed products and technologies. Nidec's ultimate objective as a socially responsible business entity is to ensure sustainable growth that generates stable employment. All Nidec directors and employees are required to perform their duties in a sincere and transparent manner with full respect for the spirit of this charter and the importance of corporate social responsibility (CSR).



► CSR Charter (full text) <http://www.nidec.com/en-Global/sustainability/principle/charter/>

The Ten Principles of the UN Global Compact

	Human Rights Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
	Labour Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.
	Environment Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.
	Anti-Corruption Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



Stakeholder Relations

Nidec regards its customers, supply chain partners, local communities, employees, shareholders, and the global environment as its primary stakeholders, and makes it an important management task to meet their expectations via communications with them.

Global Environment

To enhance its Environmental Philosophy, Nidec adopted an Environmental Policy and Biodiversity Action Guidelines, and we contribute to minimizing our environmental burden and conserving biological diversity by providing highly environmentally friendly products and conducting eco-friendly business management.

► Environmental Philosophy

We realize that the perpetual protection of the global environment is an important issue common to all mankind, and aim to minimize environmental burden through environmentally friendly business activities to carry out our social responsibilities.



Employees

In the course of developing a pool of challenge-seeking, globally competent human resources, and based on its three challenges, i.e. "Passion, enthusiasm, and tenacity," "Intellectually challenging, hard working," and "Do it now, do it without hesitation, do it until completion," Nidec is cultivating a diversity-rich work environment that brings out the best in every individual.



Shareholders

Nidec wishes to achieve long-term high-level growth, profit, and stock prices to maximize the company's shareholder value. Specifically, our company's top executives promote face-to-face communications with investors through IR consultations and presentations, fulfill their accountability responsibilities based on fair, timely, and proper information disclosure, and enhance the company's management transparency.



Customers

Nidec has established QCDSSS as the basis of its business activities, and all of its R&D, production, and sales departments work united to improve customer satisfaction and build a relationship of trust. Our customers are located all over the world. To respond to their needs and demands quickly, we have launched a "made-in-the-market" strategy, based on which we develop, produce, and sell products in close proximity to our customers, by establishing business sites in various regions around the globe.



Supply Chain Partners

Basic Procurement Policy

Nidec aims to constantly grow and leap forward based on good quality, cost, delivery, speed, and service. Nidec treats all companies in the world on a level playing field and purchases materials and components based on fair evaluations.

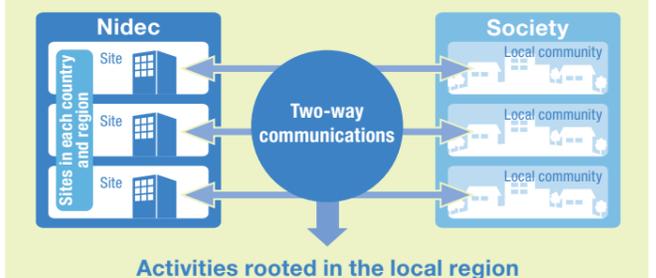
CSR-Based Procurement

Nidec has launched actions to share its CSR stance with supply chain partners.



Local Communities

We respect the culture and customs of each country and region in which we operate, and our business activities are launched based on our CSR Charter, which includes "maintain good relations with society." Each of our sites has an office to enable two-way communications with the local community and engages in social contribution activities to address current and future issues.

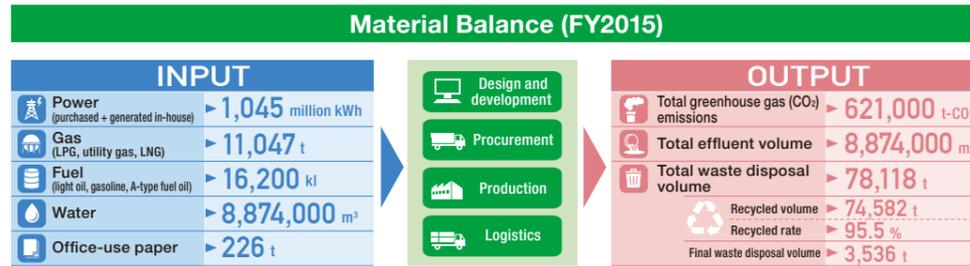


► Environmental Philosophy and Environmental Policy: <http://www.nidec.com/en-Global/sustainability/environment/policy/>
 ► Biodiversity Action Guidelines: <http://www.nidec.com/en-Global/sustainability/environment/diversity/>

Environmental Performance

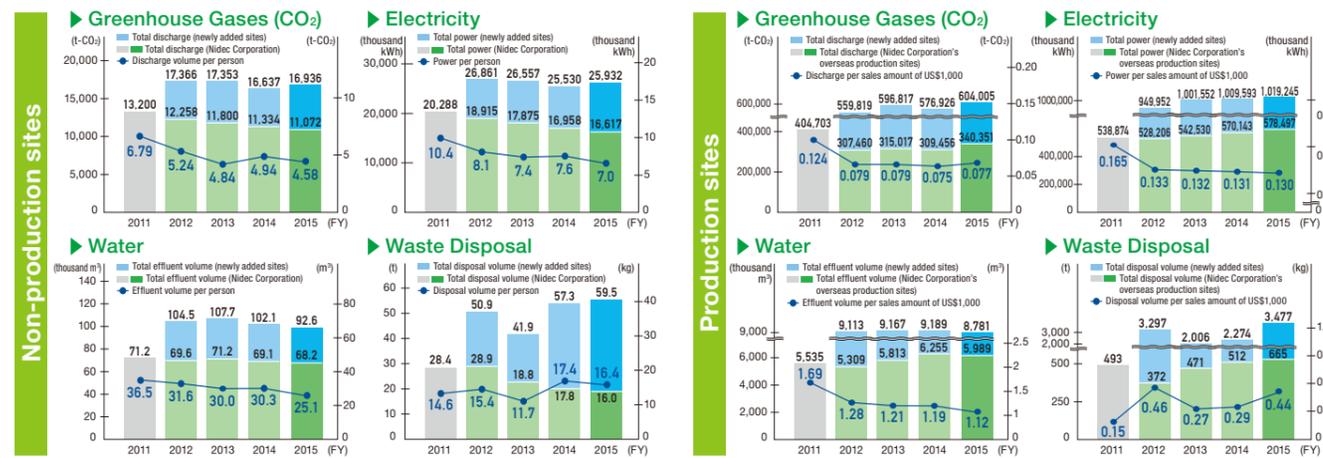
Overview of Nidec's Environmental Burden

A majority of the greenhouse gases emitted as a result of Nidec's business activities is derived from electricity and fuel consumption. Improving the way we use energy at production sites is a crucial factor in reducing greenhouse gas emissions.



Overview of the Fourth Medium-term Environmental Conservation Plan

Nidec first formulated a medium-term environmental conservation plan in FY2004, and it has been renewing it every three years. The fourth medium-term plan, launched in FY2013, ended in FY2015. For the four areas of reducing environmental impact (out of the total of seven areas covered by the plan), business sites were categorized into non-production and production-sites. The goal was to reduce the three-year average by 3% on an intensity basis* from base year FY2012 levels. *Intensity basis: Per employee for non-production sites, and per US\$1,000 for production sites.



Change in the Number of Sites

The fourth medium-term environmental conservation plan covers Nidec Group companies that were part of the Group as of the base year FY2012.

	FY2011	FY2012	FY2013	FY2014	FY2015
Non-production sites	4	12	14	14	14
Production sites	13	61	65	63	62

Summary of the Fourth Medium-term Environmental Conservation Plan

The result of the fourth medium-term environmental conservation plan is as follows. Individual sites' FY2013–FY2015 environmental burden figures were averaged out on an intensity basis and compared to the result of the base year FY2012.

	Greenhouse gases	Power	Water	Waste disposal
Non-production sites	Down 8.7%	Down 9.8%	Down 10%	Down 1.3%
Production sites	Down 2.0%	Down 1.6%	Down 8.1%	Down 27.6%

While the overall amount of environmental burden on an intensity basis reduced, Nidec failed to achieve its target reduction amount (reduce the three-year average by 3% on an intensity basis from base year FY2012 levels) in three areas: final waste disposal for non-production sites and greenhouse gases and electricity for production sites. Targets were missed due to the mass-disposal of office supplies, the introduction of manufacturing equipment upon the start of new business, and an expansion in production, respectively.

Overview of the Fifth Medium-term Environmental Conservation Plan

The fifth medium-term environmental conservation plan (FY2016–FY2018) was launched in FY2016. While the fourth medium-term environmental conservation plan covered Nidec Corporation, its overseas production sites, and Nidec Group subsidiaries that joined the Nidec Group via M&A and that are headquartered in Japan, the fifth medium-term environmental conservation plan will expand coverage by adding Nidec Group subsidiaries headquartered overseas.

The fifth medium-term environmental conservation plan will also see our Group's continued efforts to reduce greenhouse gas

generated from our business activities. We will also quantify the effect from greenhouse gas reductions resulting from the use of Nidec Group products as the "amount of environmental contribution."

Thus, we will be able to visualize correlations between the amount of our environmental contribution and our sales and profit, and to integrate the Group's business growth and environmental objectives. Our final goal is to see the total amount of environmental contribution from the use of Nidec Group products exceed the total amount of environmental burden generated from our business activities.

Fifth Medium-term Environmental Conservation Plan (FY2016–FY2018)

1 Environmental management	Operate an ISO 14001- and EICC audit-based environmental management system at 80% of the Nidec Group's sites on a consolidated sales basis (expand the scope of the Group's environmental management).
2 Business activity-based environmental burden reduction	Four areas of environmental burden reduction: greenhouse gases (CO ₂), electricity, water, and waste disposal. For both non-production and production sites, reduce the three-year (FY2016–FY2018) average of each of these areas by 3% on an intensity basis from FY2015. Note: The intensity is the same as the one for the fourth medium-term environmental conservation plan.
3 Product-based environmental contribution	Determine a calculation policy to quantify the amount of environmental contribution, establish a calculation method, and collect related data.
4 Environmental conservation	<ul style="list-style-type: none"> Promote biodiversity protection with external organizations (forest conservation, tree planting, etc.). Support environmental education in local communities (eco-classes for elementary school children).

For details, visit: <http://www.nidec.com/en-Global/sustainability/environment/>

Workmates Closeup

The Nidec Group's CSR activities are supported by each and every one of our 100,000 colleagues. Here's a look on how some of them think about achieving their own Vision 2020.

My Vision 2020

I would like to be a manager who shares experiences and ideas with others, works with them as a team to solve various issues, and leads the team in a better direction.



Nidec (H.K.) Co., Ltd. **HKG**
Bonnie Wong

My role is to support my team members so that they can use their abilities to the fullest extent, and work as a compass to move things forward. I make sure to work as a coordinator, maintain good communication with other departments, and secure an ideal working environment where the entire work goes smoothly.



My Vision 2020

My goal is to reduce and clean wastewater from glass lens processing. I want to reduce the amount of the wastewater from the lens-polishing process by 10%.



PT. Nagata Opto Indonesia **IDN**
Susandi

We use a large amount of ground water to process glass lenses. Reducing lens processing machine operating time will lead to less water usage, less waste water, and less load on water resources. As a glass-polishing machine maintenance person, I try to generate less loss with the machines. I will continue to monitor the equipment in operation and the amount of water and to work with lens engineers to improve the machines' structures so that they can polish lenses more efficiently.



My Vision 2020

Through my work as a secretary, I want to help the Russian company I work for to become an integral part of Nidec, an international business enterprise.



A/O Nidec ASI VEI **RUS**
Maria Landysheva

I will stay committed to promoting the Nidec Group's diversity so that all Nidec employees utilize their abilities regardless of nationality, gender, age, and various other differences.



Actions during FY2015

Global Human Resource Development

As of March 2016, approximately 100,000 Nidec Group employees are working in 33 countries and regions. We will nurture and increase the number of Nidec employees who can work globally, so that we will become a global enterprise that will continue to grow for the next 100 years and beyond.

It was for this purpose that we opened the Nagamori Business School in April 2015 to nurture and develop human resources who will lead the Nidec Group's growth and prosperity. This school is open to employees in Japan who will be the driving force behind the Nidec Group's future business. Here, they will learn the management creed and philosophies directly from the company's founder and aim to become managers who can achieve positive results based on high ambitions and aspirations.

Additionally, we opened the Nidec Global Business Management University in May 2016 for executive candidates selected from domestic and overseas Nidec

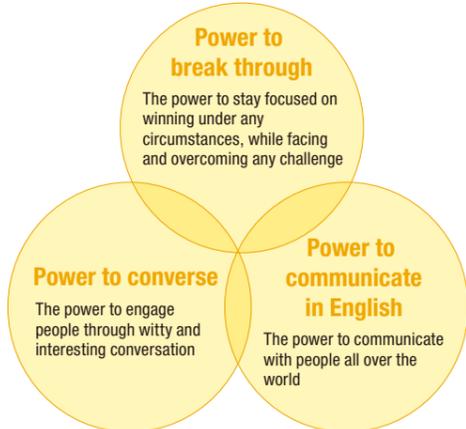


▲ Nidec Corporation Head Office Annex Global Learning Center (to be completed in March 2017)

Group companies. At this university, in an approximately year-long curriculum with intermittent classes, the participants will learn and obtain a deep knowledge on the business philosophies of Nidec's founder. They will also foster a business management mindset while gaining the knowledge they will need as executives.

We will also do everything possible to develop human resources appropriate for a trillion-yen enterprise. Efforts include training for employees of all ranks, including managers, and development of individuals with high levels of expertise.

The construction of the Nidec Corporation Head Office Annex Global Learning Center will be completed in March 2017. Lectures and training sessions will be held for a large number of participants from both inside and outside Japan. In this way, the Nidec Group is creating fulfilling places of learning for employees, who will support Nidec as a global enterprise that will continue to grow for the next 100 years and beyond.



▲ The Nidec Group's three elements needed for employees who can work globally

Actions during FY2015

Shareholder and Investor Relations Active Dialogue

Active dialogues with both existing and potential shareholders are at the heart of our IR activities. With particular emphasis on proactive outreach to individual investors, we have increased opportunities for investor updates through more frequent briefings and workshops in recent years.

We saw a heightened demand for investor updates in FY2015 against the background of a revitalized investment in Japanese stocks and the launch of the government's new tax exemption scheme known as NISA (the Nippon Individual Savings Account system). Primarily through collaboration with securities houses, we held nearly 30 workshops in Japan during the year. The number of our registered shareholders at the end of FY2015 was approximately 60,000, an increase from 55,000 as of the end of FY2014 and a leap from 28,000 as of the end of FY2008.



▲ IR briefing for individual investors on December 1, 2015 (Tokyo)

Actions during FY2015

Selling Charity Christmas Goods Made during Employee Training

Nidec Motors & Actuators (Germany) made donations to a local facility for the disabled during the 2015 Christmas season, and it was reported in a local German newspaper.

The company held a training session for engineering trainees in the city of Bietigheim in southern Germany, and the trainees made Christmas goods as part of the program. The trainees—who intend to become mechanics, mechanical and electrical engineers, or draft personnel—processed metals and made reindeer-shaped decorations and other items, and sold them at Christmas markets and in their company cafeteria.

The proceeds from the sold goods, combined with a donation from the company, were donated to a fundraising project hosted by a Bietigheim-based newspaper company.

The donated money will be used to support the 12 people living in the facility for the disabled, which is located near the company. Nidec Motors & Actuators (Germany) is planning to participate in this event once again in FY2016.



▲ Christmas goods made by trainees

Workmates Closeup >>>

My Vision 2020

As we are required to produce high-efficiency, eco-friendly motors to reduce greenhouse gas emissions, I would like to provide our customers with highly reliable products that use safe drive technologies.



Nidec (Beijing) Drive Technologies Co., Ltd. CHN
Liu Wentian

My job mainly involves enhancing the reliability of electric vehicle motors. I am involved in the entire process, from product development and production to delivery to the customer. Starting with material selection, I test our products repeatedly under all possible circumstances until the products operate accurately. This ensures that they are delivered with the highest quality.



My Vision 2020

I want to help grow our facility into a world leader in engineering while creating more job opportunities for the local community.



Nidec Motor Corporation USA
Jana Smith

I feel it is important to please our customers by delivering optimal, high-quality solutions, which are also highly price-competitive. I will do my best to achieve my vision.



My Vision 2020

My job is to tune music boxes. I would like to let these spring-based, eco-friendly products—which work without electricity—play beautiful and accurate melodies.



Nidec Sankyo Music Box Corporation JPN
Sachiyo Misawa

Owing to its fresh air and water, the city of Suwa, where I live, has been dubbed the "Switzerland of the East." I would like to maintain this abundant nature and pass it on to the children of the future. I will continue to work hard so that my tuning work will help people see the eco-friendly aspect of spring-based music boxes, and so that these devices will play wonderful melodies all over the world.



My Vision 2020

My goal is to constantly develop motors and power generators that will contribute to the development of power generation technology that supports the future global environment.



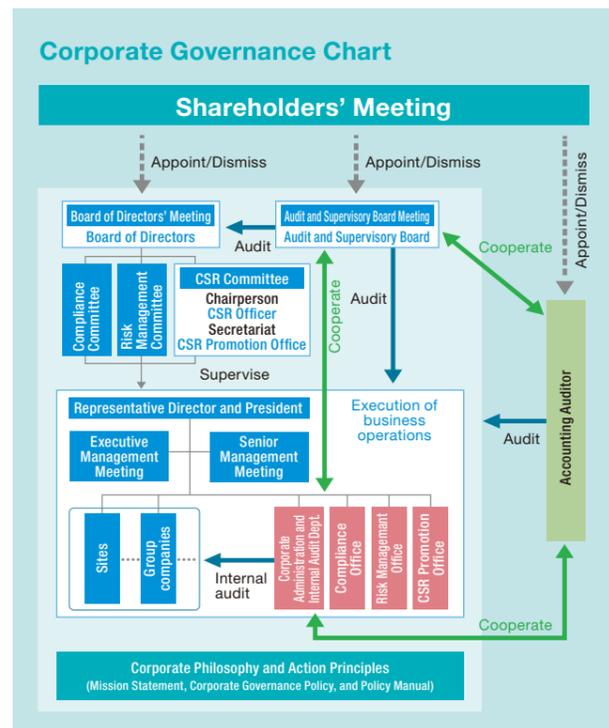
Motortecnica s.r.l. ITA
Francesco Toro

I will continue to dedicate myself to the maintenance and improvement of products related to hydropower generation, which is currently the most widely used renewable energy in Europe.



The Nidec Group aims to further strengthen its business capabilities and management system to achieve sustainable development of its corporate value. As part of this effort, the Group established a Corporate Governance Policy in May 2006 to ensure the transparency and soundness of its business.

In June 2015, the Tokyo Stock Exchange (TSE), where Nidec stock is listed, established a 73-principle Corporate Governance Code as a code of conduct for TSE-listed companies. The Code is mainly intended to enhance corporate management's transparency via dialogue and collaboration with stakeholders, while encouraging overseas investors to invest in Japanese companies again. Nidec has already announced its intention to comply with all of the 73 principles of the Corporate Governance Code.



▶ For details, visit: <http://www.nidec.com/en-Global/corporate/about/cg/governance/>

Business Execution and Supervision

Nidec has an Audit and Supervisory Board in place. As well as supervising business execution, the company's Board of Directors makes decisions on important matters concerning business management. The Board of Directors has independent members from outside the company to enhance its management supervisory functions and make Nidec's business activities more transparent and visible from the outside. Additionally, to clarify management responsibilities, the terms of members of the Board of Directors and vice presidents are for a one-year period, and their remuneration is determined based on the company's business performance. The Audit and Supervisory Board oversees the directors' execution of duties and conducts accounting audits.

Internal Control

Nidec, as a company listed on the Tokyo Stock Exchange, works to meet the requirements of applicable Japanese laws and regulations. Our Corporate Administration and Internal Audit Department maintains and improves the effectiveness of the Nidec Group's internal controls. In addition, under the oversight of the Board of Directors, our Compliance Office, Risk Management Office, and CSR Promotion Office provide leadership as the secretariats of the Compliance Committee, Risk Management Committee, and CSR Committee, respectively, and improve the Nidec Group's management capabilities.

Actions during FY2015

EICC Audit

Any product mirrors its producer: It shows not only its quality but also all the actions that the producer has taken prior to its debut in the market. However high quality the product itself may be, it won't reflect well on its producer if the product was made under ethically improper circumstances.

As business is conducted globally across national borders, it is important for a global company to consider regional and national differences in perspective and custom. In developing countries, in particular, the educational system and laws and regulations governing human rights, labor ethics, health and safety, and environmental conservation are frequently lacking. The growing numbers of ethically conscious consumers will not accept that businesses should just "do as the Romans do." The Nidec Group's products, manufactured in various countries, will become part of people's lives around the world through a myriad of markets. As we aim to constantly expand our global business operations, we have been conducting a mock audit based on the EICC standard since FY2014. This allows us to review our CSR based on international perspectives and enhance our capabilities to execute our responsibilities. In this project, constantly executed in collaboration with an EICC certification organization, we have so far conducted onsite audits at our 21 major production sites in Asia, where actions are underway to improve our CSR capabilities. We are planning to audit our North American and European production sites in FY2016.



▲ EICC audit in Thailand

Promoting Compliance

We hold compliance seminars for Nidec Group employees on topics such as cartels and bribery, aware that crimes committed in this area would cause tremendous damage to the company. In FY2014, our local legal personnel held 62 compliance seminars at sites in the Americas, Europe, China, Southeast Asia, and Japan. The topic of bribery was added in FY2015, when we held 88 seminars mainly in China and other high-risk countries in Southeast Asia. In FY2016, in addition to continuing with these seminars, we will seek to strengthen the Group's compliance system by implementing further actions, such as establishing anti-bribery regulations.

Business Continuity Plan for Emergency Situations

Allocating risk managers at individual sites around the world, the Nidec Group has established an environment in which factors impeding our business continuity can be promptly detected. In addition, anticipating the occurrence of such risks as earthquakes, flooding, droughts, and infectious diseases, we have been conducting BCP (business continuity plan) simulation training at domestic and overseas sites since March 2014. As of the end of March 2016, a total of 431 Nidec Group employees have participated in training to improve their capabilities to perform effectively in their workplaces when an unexpected event occurs. In FY2016, we will continue to focus on BCP training and further promote a global risk-management system that can address terrorism and other new risks.



▲ BCP training in Vietnam



▲ BCP training in China

Workmates Closeup >>>

My Vision 2020

My goal to achieve in 2020 is to make the workplace a place where employees can work happily. Having such a workplace will bring me joy as I work.



Improving any workplace requires us to provide employees with best-quality training programs and have them polish their skills, while we put forth an effort on corporate ethics education. To that end, I will first learn and deepen my own knowledge and then work to improve the skills of trainers.

Nidec Component Technology (Thailand), Co., Ltd. **THA** **Janram In-On**



My Vision 2020

Moving toward 2020, I would like to lead the world's automotive markets with our company's pump solutions.



My job is to check products thoroughly and carefully in the production process and maintain the highest level of quality for our final products. I will work hard every day to achieve maximum customer satisfaction with our best-in-the-world pump solutions that are energy-efficient and that emit only a small amount of greenhouse gases.

NIDEC GPM do Brasil Automotiva Ltda. **BRA** **Sander Paulichi Benevides**



My Vision 2020

My vision is to contribute to expanding Nidec's global presence and see our high-quality products and services recognized worldwide, while enriching people's lives.



To realize this vision, I keep my awareness level high to improve my actions every day and ensure success as I execute my daily duties as an engineer. I will perform my work with passion, enthusiasm, and tenacity in order to contribute to improving the quality of Nidec products as well as to the company's continued growth.

Arisa, S.A. **ESP** **Sara Sáenz-López**



My Vision 2020

I want to develop inexpensive and yet high-quality Nidec products that are welcomed by the entire world.



When developing a mass-production fan model or some other new product, we need to analyze and evaluate the product every time its design is corrected or one of its components is changed. Doing these jobs in-house to the best extent possible will enable us to reduce costs and provide high-quality yet inexpensive products.

Nidec Vietnam Corporation **VNM** **Nguyen Huu Trung**



Action Album—Many Hands, One Mind

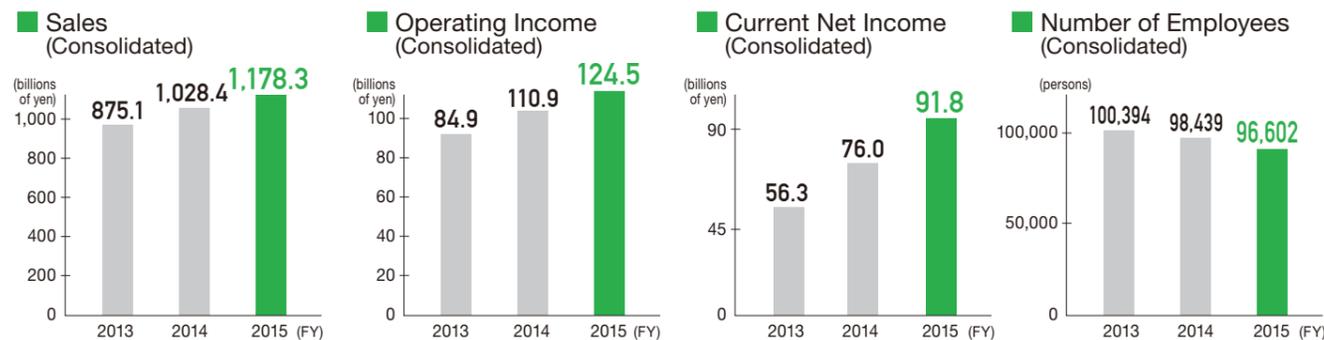


100,000 Nidec Group employees of many different backgrounds engage in a wide variety of activities in their respective regions, while sharing the same principles and aims.



Corporate Profile

Company name	NIDEC CORPORATION	Founded	July 23, 1973
Brand name	Nidec	Paid-in capital	JPY87.78 billion (as of March 31, 2016)
Representative	Shigenobu Nagamori (Chairman of the Board, President & CEO)	Total shares issued	298,142,234 (as of March 31, 2016)
Address	338 Kuzetonosiro-cho, Minami-ku, Kyoto 601-8205, Japan	Stock listings	First Section, Tokyo Stock Exchange



Online Information Disclosure

<http://www.nidec.com/en-Global/sustainability/>

Find more detailed, timely information about Nidec's CSR and environmental activities on our website.



About the CSR Report 2016

Editorial Policy The Nidec CSR Report has been published annually since 2004 to facilitate stakeholder understanding of the company's CSR stance. Nidec, which regards its customers, supply chain partners, local communities, employees, shareholders, and the global environment itself as important stakeholders, places importance on fulfilling its social responsibilities as a global company that engages in motor and other businesses, and on meeting all stakeholder expectations. Considering our CSR Report 2016 as a digest version of the social and environmental information on our website, we try to present in this report the progress of our CSR activities clearly to further deepen communications with our stakeholders and expand the circle of CSR activities.

Scope of Report Our CSR Report 2016 mainly focuses on the headquarters, domestic and overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Elesys Corporation, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec Copal Electronics Corporation, Nidec-Shimpo Corporation, Nidec Copal Corporation, Nidec Servo Corporation, Nidec Seimitsu Corporation, Nidec-Read Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation.

Reporting Guidelines Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan

Reporting Period With a main focus on the company's activities during FY2015 (April 2015–March 2016), this report includes activities ongoing from the past as well as information on the latest activities.

Publication June 2016 (Previous edition: June 2015; Next edition: scheduled for June 2017)

Publishing Office CSR Promotion Office, Nidec Corporation

Editor's Note

As the Nidec Group actively engages in M&A, the numbers of Group companies and their employees continue to increase year by year. We publish this CSR Report in three languages (Japanese, English, and Chinese) and distribute it to all Nidec employees to ensure that all new recruits recognize themselves as Nidec employees and to foster the "One Nidec" mindset among all Nidec Group employees in 33 countries around the world. This report is also used as a textbook in various CSR seminars. We hope that all Nidec Group employees around the world will carry forward the "One Nidec" mindset and continue to fulfill their social responsibilities as members of the global community.



Masahiro Nagayasu
General Manager, CSR Promotion Office