

Review of the medium-term strategic goal Vision 2025

Review of Financial Performance

In July 2021, we established the medium-term strategic goal Vision 2025. This clarified our financial and non-financial targets for 2025 as milestones on the path to achieving consolidated sales of 10 trillion yen in FY2030. Regarding financial targets, we have set a target of 4 trillion yen in consolidated sales for FY2025, and have

set a target of doubling sales per employee and operating income as a goal for improving productivity. We have also set a target of 15% or more for company-wide ROIC. The progress made towards these financial targets is as follows.

	Target for FY 2025	Results for FY2023
Consolidated net sales	4 trillion yen	2.3472 trillion yen
Improved productivity (net sales and operating profit per person)	Double sales and profit per person	Sales per employee in FY2020: 11.5 million yen ▶ In FY2023: 19.01 million yen (65% increase) Operating profit per employee in FY2020: 1.14 million yen ▶ In FY2023: 1.32 million yen (16% increase)
ROIC	Over 15%	4.5%

On April 1, 2024, Mitsuya Kishida was appointed president, and a new management structure was launched. With the keyword "One NIDEC," we are strongly promoting various measures, including the integration of technologies and human resources on a global basis, with the aim of achieving group-wide integrated management, or overall optimal management that grows while creating synergies among the group companies.

In July 2024, we announced the "medium- to long-term direction" under the new structure. The target sales of 10 trillion yen for 2030 remains unchanged, with 7 trillion yen to be achieved through autonomous growth and 3

trillion yen through new M&A. We have also established Five Business Pillars as areas we will focus on in the future. We aim to provide motors, related products and services in fields that align with global social trends, such as Base of AI Society, Productivity Efficiency, Mobility Innovation, Sustainable Infrastructure and Energy, and Home Appliances and Commercial Equipment that Support Our Lives. We also have a wealth of human resources and technology acquired through M&A and other activities around the world. By taking stock of these, bringing together the necessary technology and human resources, and making good use of them, we hope to pursue growth in our five business pillars.

Five Business Pillars

Better Life	Sustainable Infrastructure and Energy	Base of AI Society	Efficient Manufacturing	Mobility Innovation
Improving quality of life Pursuing reliability, safety and health	Contributing to infrastructure maintenance by efficient generation, storage and utilization of energy	Anticipating explosive demand and responding to required evolution	Leading labor-saving, automation, acceleration and high precision in manufacturing	Electrification and automation of eco-friendly vehicles
Home appliances	Power generator	Data center	Machine tools and Press machines	Automotive components
Commercial equipment (HVAC/elevators)	Battery Energy Storage System (BESS)	Semiconductor inspection / wafer transfer robot	Precision reducers	E-bike

Review of Non-Financial Performance

ESG evaluation

Our ESG-related goals are: ① to solve social needs by accumulating world-leading, world-No.1 technologies; ② to promote ESG management centered on net zero CO₂ emissions; and ③ to strengthen our organization and governance as One NIDEC. In response to this, we

have set five ESG materiality issues and 15 associated themes as important issues, while collecting opinions not only from within the company but also from external sources such as institutional investors. To promote action on these ESG materiality issues, we established the ESG Materiality Steering Committee, which is chaired

by the president and brings together all of our executive officers to discuss important issues. The ESG Materiality Steering Committee began in May 2021 and has held a total of 29 meetings (five in FY2021, 12 in FY2022, and 12 in FY2023). Through the 29 meetings, we discussed the progress and issues of each of the five materiality issues and 15 themes, and decided on measures. As a result of these discussions and measures, in FY2023, our CDP climate change score and water score improved in many areas, and our overall score improved from C to B.

In FY2024, we will incorporate ESG indicators into executive remuneration and accelerate the promotion of

Net Zero CO₂ Emissions Target

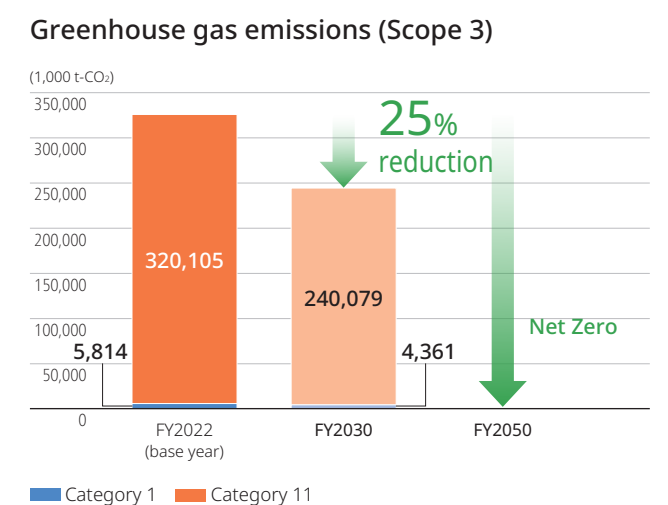
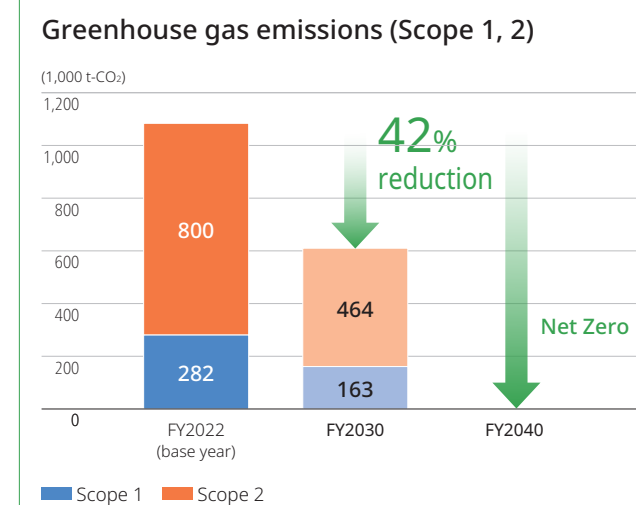
Although we expect energy consumption to increase in proportion to business growth in the future, we will contribute to the realization of a decarbonized society by setting medium- to long-term targets to achieve net zero in Scope 1 and 2 by FY2040 and aiming for net zero in Scope 3 by FY2050, and promoting initiatives to achieve these targets.

the 15 themes associated with ESG materiality. In line with this, we have reviewed the management structure of the ESG Materiality Steering Committee and established a new Sustainability Committee. Furthermore, the Environmental Management Subcommittee, the Climate Change Subcommittee, and the Human Rights Subcommittee have been established under the Sustainability Committee, and multiple departments are working together to discuss and implement sustainability initiatives from a perspective that is closer to that of frontline employees than in the past.

In FY2022, we expanded the scope of our CO₂ emissions calculations to include all business domains, and in FY2023 we underwent third-party verification of our CO₂ emissions. In March 2024, we set new CO₂ reduction targets for 2030. This target was recognized as a target based on scientific evidence for achieving the "1.5°C target" in the Paris Agreement, and we received SBT certification from the international climate change initiative SBTi (Science Based Targets initiative).

- Reduce Scope 1 and Scope 2 emissions by **42%** compared to FY2022 by FY2030
- Reduce Scope 3 emissions by **25%** compared to FY2022 by FY2030

NIDEC Group's medium- to long-term targets for reducing CO₂ emissions



* Scope 1: Direct greenhouse gas emissions from the business itself (fuel combustion, industrial processes).
 Scope 2: Indirect emissions associated with the use of electricity, heat and steam supplied by other companies.
 Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions from other companies related to the business's activities).

Governance Structure

In February 2021, the Company established the Remuneration Committee, in August 2022, the Sustainability Committee, and in November 2022, the Nomination Committee. Each committee is composed of three or more directors selected by resolution of the Board of Directors' Meeting, with a majority of the

members being independent outside members of the Board of Directors.

The aim is to further enhance the Company's corporate governance system by ensuring fairness, transparency and objectivity through the appropriate involvement and advice of independent outside members of the Board of Directors.