



## Realizing the NIDEC Group as a strong technical group

— Pursuing technology that contributes to the interests of both the company and society —

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### Generating business from research institutes

In order for our company, the world's No.1 comprehensive motor manufacturer, to achieve further evolution, it is important for us to realize our vision as a business creator by bringing together the technologies of all the companies in our group. We have research institutes in Keihanna, Kyoto Prefecture, and Shin-Kawasaki, Kanagawa Prefecture, and we would like to develop the activities of these research institutes in areas that are closer to business. By having our research centers engage in business with a broad perspective, our company will be able to achieve self-reliance and autonomous growth, and we will be able to achieve even higher performance and profits.

The mindset of the personnel at the research institute is an important factor in terms of self-reliance

and autonomous growth. We want the people involved in research and development to have the mindset of a manager who can create new businesses from scratch. In order to raise their mindset to the level of a manager, they must pay attention to the technologies they are researching. It is essential that each researcher pays close attention to their surroundings and always seeks to understand how a single technology can be related to many businesses and lead to business opportunities. In this way, a web of research and development will be woven throughout the entire group, enabling all technologies to be closely and organically combined. We believe that this "organic combination of composite technologies" is the foundation for realizing the NIDEC Group as a strong technology group.

From solving problems at your feet to creating next-generation technologies that generate profits

#### Key Issues

- 1 Accelerating the development of cutting-edge products
- 2 New Markets Case Support
- 3 Assisting E-Axle Production and Development
- 4 Horizontal deployment of productivity improvement measures and cost reduction strategy
- 5 Strengthening the analysis of technical and market information
- 6 Deepening of medium- to long-term development themes
- 7 Establishment of a global collaboration CTO cross-sectional technology review
- 8 Minimizing business risk

### Finding core competence through the organic combination of technologies

If you look at the NIDEC Group, you will see that various technologies and know-how essential to manufacturing have been cultivated at each company and each base, including not only motor-related technologies but also elemental technologies, software technologies, sensing technologies, production technologies, and even quality control. As mentioned above, the role of the future research institute will be to take a bird's-eye view of these technologies and organically combine them. In order for our company to survive in the future market environment, we must not only focus on the component and hardware aspects of motors, but also on the overall system, which is a collection of technologies including software such as electronic control. I believe that the process of developing a system, through which different technologies are combined more deeply and efficiently, gives rise to a company's unique technology, or core competence. Even if each technology is commonplace, a system that has been brought together through core competence cannot easily imitate. Such highly perfected systems not only give rise to new business, but also lead to next-generation technologies that can contribute to solving social issues.

### Creating next-generation technologies that generate profits

The NIDEC Group is able to develop its business into a wide range of business areas, with its core competence extracted from the organic combination of motors and various technologies. In particular, we believe that we can create new businesses in the three elements or five Areas focus based on market trends that we presented to you in July this year, with the aim of realizing a "Circular Society".

Among these, the business area that will support the Base of AI Society is particularly important. The demand for AI servers is continuing to expand, and as AI evolves and becomes more widespread, it is thought that AI itself will bring about further demand for AI and advanced data processing. As a result, it is expected that the business domain related to AI will grow explosively. The NIDEC Group has semiconductor inspection technology and thermal management technology for data servers that are essential for manufacturing AI, and while continuing to respond to social demand and solve problems, we are also researching and pursuing new technologies that will contribute to the development of an AI society in the future.

When we add up the size of all the markets we can enter in this way, we estimate that it will be on the order of 1,000 trillion yen. Even if we can capture just a few percent of that market, it will be a major step towards achieving the NIDEC Group's target of 10 trillion yen in sales by fiscal 2030. In order for the NIDEC Group to achieve further growth as "NIDEC of Technology" in the future, our research institute will pursue technologies that contribute to the interests of both the company and society.

### Organic Combination of NIDEC Core Competencies

