



Integrated Report 2024

NIDEC is moving to the next stage.

Move the World, Change the Future and Aiming to be a “top-class” global company

Corporate Philosophies

Policy

POLICY

The aim of NIDEC Corporation is to contribute to the development of society and the 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, skillfulness, and modern science. Thereby, NIDEC strives to promote the prosperity of our society, our company, and all our employees.

Mission

MISSION

We contribute to the Earth by producing the highest quality motors in the world. All NIDEC employees work to the very best of their ability to send motors into the world. It is with these motors and other products we make that we solve various issues such as the conservation of the global environment, and contribute to making better lives for people all over the world.

Vision

VISION

- ▶ NIDEC is a global company that grows sustainably for the next 100 years and beyond.
- ▶ NIDEC is the world’s leading solution-providing business group that solves numerous problems for the people in the world.

Value

VALUE

“NIDEC Way” “The Challenging Road”

- ▶ Three Corporate Policies: “Passion, Enthusiasm, and Tenacity,” “Work smart,” and “Do your work now; do it without hesitation; do it until completed.”
- ▶ “Creativity,” “Respect,” “Collaboration,” “Integrity,” “Decision Making,” “Team Building,” and “Grow Talent.”

Discipline & Code

DISCIPLINE / CODE

- ▶ 3Q6S
- ▶ Seven Articles of NIDEC Employees, 3Ps (Be proactive, productive, and professional), and eliminating six bad habits
- ▶ Three Management Principles
- ▶ Three Basic Management Philosophies
- ▶ Three Management Methods Three Management Attitudes Three Conditions for Success
- ▶ CSR Charter (social responsibility, respect for diversity, etc.)

WE SUPPORT



The NIDEC Group joined the UN Global Compact in August 2015 and officially announced its support for the 10 Principles

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Welcome to NIDEC Integrated Report 2024

As we celebrate our 50th anniversary, we are working to establish a new management structure together with all of the more than 100,000 employees of the NIDEC Group to realize our dream of becoming a "top-class" global company that will continue to grow over the next 100 years. While placing importance on the three elements of Technology, People, and Purpose, we intend to align the direction of our business strategy with the path to solving social issues and to realize sustainable and core management.

This Integrated Report 2024 focuses on such a new management structure and strategy of the NIDEC Group. The report includes a message from me, the new president, as the key content, and describes the five new businesses that we will focus on for the next 50 years, as well as the path we will take to establish a group management structure that aligns the vector of the entire group. In addition, important initiatives to enhance corporate value, such as Financial Strategy, Human Resources Strategy, and Risk Management, are explained in as much detail as possible, using specific examples.

In preparing this report, we have referred to the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation, and we declare that the process of preparation and the content of this document are legitimate.

We hope that you will gain a better understanding of our growth strategy and value creation capabilities through the Integrated Report 2024. We would be grateful if you, as readers of this report, would provide us with your candid feedback on the efforts of the NIDEC Group. Toward the future, we will continue to do our utmost to sustainably enhance our corporate value, and we look forward to your continued support.

Mitsuya Kishida
Representative Director and President CEO
(Chief Executive Officer)

Reporting Period: April 1, 2023–March 31, 2024

This report includes information before and after the reporting period.

Reporting Guidelines

- International Integrated Reporting Framework, IFRS Foundation
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- GRI (Global Reporting Initiative) Sustainability Reporting Standards
- ISO (International Organization for Standardization) 26000 Guidance Standard on Social Responsibility



Disclaimer Regarding Forward-Looking Statements

The forecasts and forward-looking statements contained in this report are based on the information and forecasts available as of the date of publication of this report. Please be aware that actual performance may vary significantly due to various uncertainties, such as market price conditions and exchange rate fluctuations. NIDEC undertakes no obligation to update any information regarding the forward-looking statements contained in this report.

Website

IR <https://www.NIDEC.com/en/ir/>

Quarterly Financial Results: <https://www.NIDEC.com/en/ir/library/earnings/>

Securities Reports: <https://www.NIDEC.com/en/ir/library/reports/>

CSR <https://www.NIDEC.com/en/sustainability/>

Corporate Governance Report: <https://www.NIDEC.com/en/ir/management/governance/>

ESG Data List: <https://www.NIDEC.com/en/sustainability/principle/esg-list/>

Guideline Comparison Chart: <https://www.NIDEC.com/en/sustainability/guidelines/>

Company Information <https://www.NIDEC.com/en/corporate/>



Mitsuya Kishida
Representative Director and
President CEO
(Chief Executive Officer)

We view the present as our second foundation period and aim to become a global top-notch company that continues to grow beyond 100 years.

The Vision We Aim for

Since taking office as a president on April 1, 2024, I have been working hard to achieve a collective management structure that brings the 100,000 employees of the NIDEC Group together. In order to become a global top-notch company that continues to grow beyond 100 years, each and every employee of the NIDEC Group must achieve growth with quality, viewing this as our second foundation period, without relying on the charisma of the founder, while inheriting the strengths of the past. I believe that the future of achieving a market capitalization of 10 trillion yen will not come until we realize the ideal we should aspire to, i.e. catering to our customers' needs with high technology, maintaining a high stock price through high growth and high profitability, and forming a strong organization where a diverse workforce work hard toward the same goal.

One of the most important initiatives for the future is to create a steady cash flow and increase it. Rather than focusing solely on sales growth to achieve our goals, we will enhance our ability to generate cash flow. By using the cash generated in this way for new businesses and investment in growth strategies including M&A, we intend to achieve accelerated growth with quality.

Another key word in creating the future is Circular Society. Our philosophy has always been to "contribute to the global environment with things that turn and move," in other words, to solve social issues and contribute to the preservation of the global environment by supplying high-performance motors. I believe that we can develop innovative businesses by viewing society as a whole as one big cycle and focusing on energy conversion.

Toward the Realization of Circular Society

The NIDEC Group has produced a wide variety of motors as the world's No. 1 comprehensive motor manufacturer. By supplying a diverse range of products that accommodate from the very small world including inside of PCs, smartphones to the extremely large world such as huge vessels, industrial pumps, we have created motive power around the world to turn and move things. We have, so to speak, provided the energy itself to drive objects.

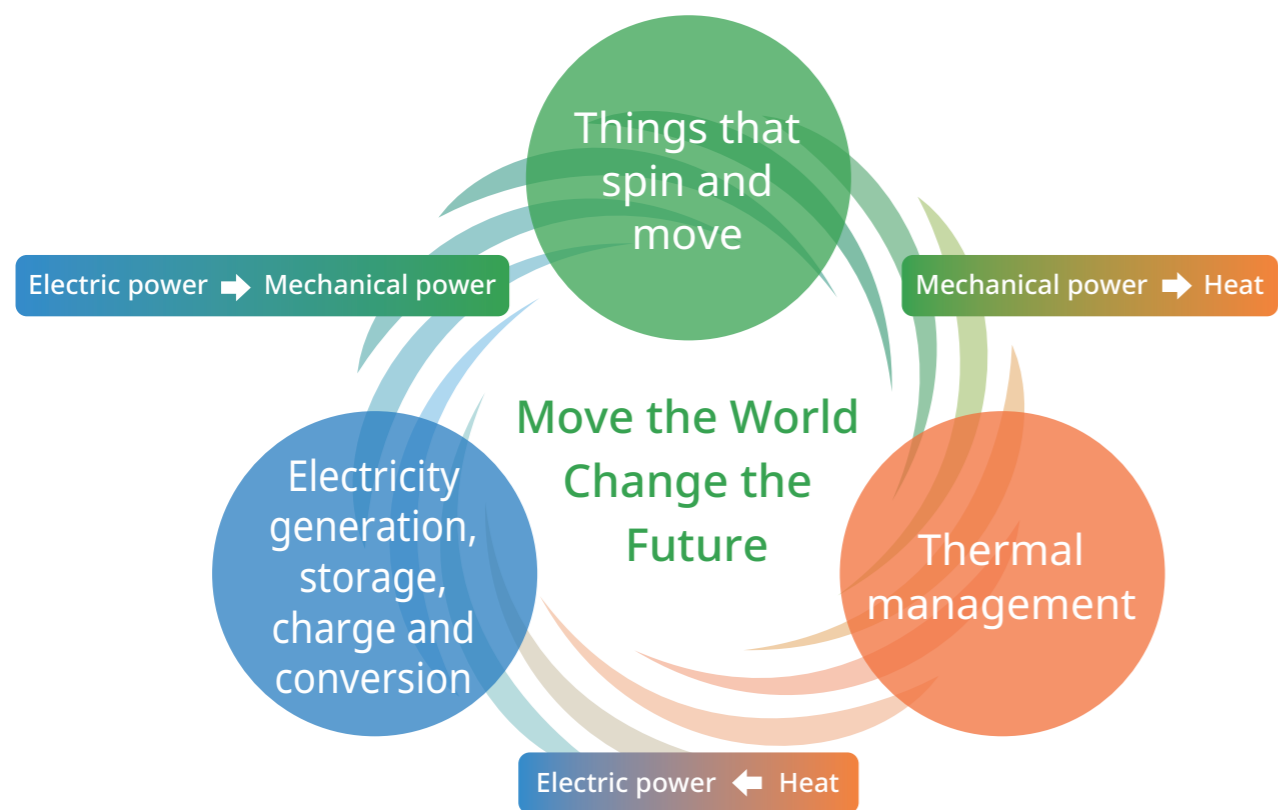
In addition to energy to drive objects, motors generate heat at the same time. It is inevitable that heat will be generated from electric power and motive power, and the Nidec Group has tackled the challenge of how to control heat for 50 years as a motor specialist. Examples include product lines and technologies related to heat management, such as cooling systems and fan motors. In particular, the demand for water-cooling modules has been growing rapidly in recent years due to the enormous amount of heat generated by servers used in AI data centers, and heat management technology has

begun to develop from air-cooling to water-cooling.

Another important factor related to motors is electric power. Electricity is the most important energy source for the world in the future, as it is used to generate motive power through motors as well as heat. I believe that a future will come in which controlling electricity can be synonymous with controlling the social infrastructure itself.

For example, if heat generated as a by-product of motive power is controlled and used for electricity generation, and the generated electricity is stored in a battery system, a stable supply of clean electricity can be achieved. Needless to say, the electricity thus supplied will become a source from which our products will generate additional motive power.

In this way, in our society, energy is being converted from one form to another, i.e. from motive power to heat, from heat to electricity, and from electricity to motive power. Through our products and technologies, the Nidec Group will contribute to the realization of a sustainable, Circular Society in which energy is converted with high efficiency.



Five Businesses That Will Be the Pillars of the Future

There are five business areas of the NIDEC Group that are particularly important for a sustainable, Circular Society in which clean energy is circulated smoothly. We intend to expand our business, setting our eyes on these five business areas as focused

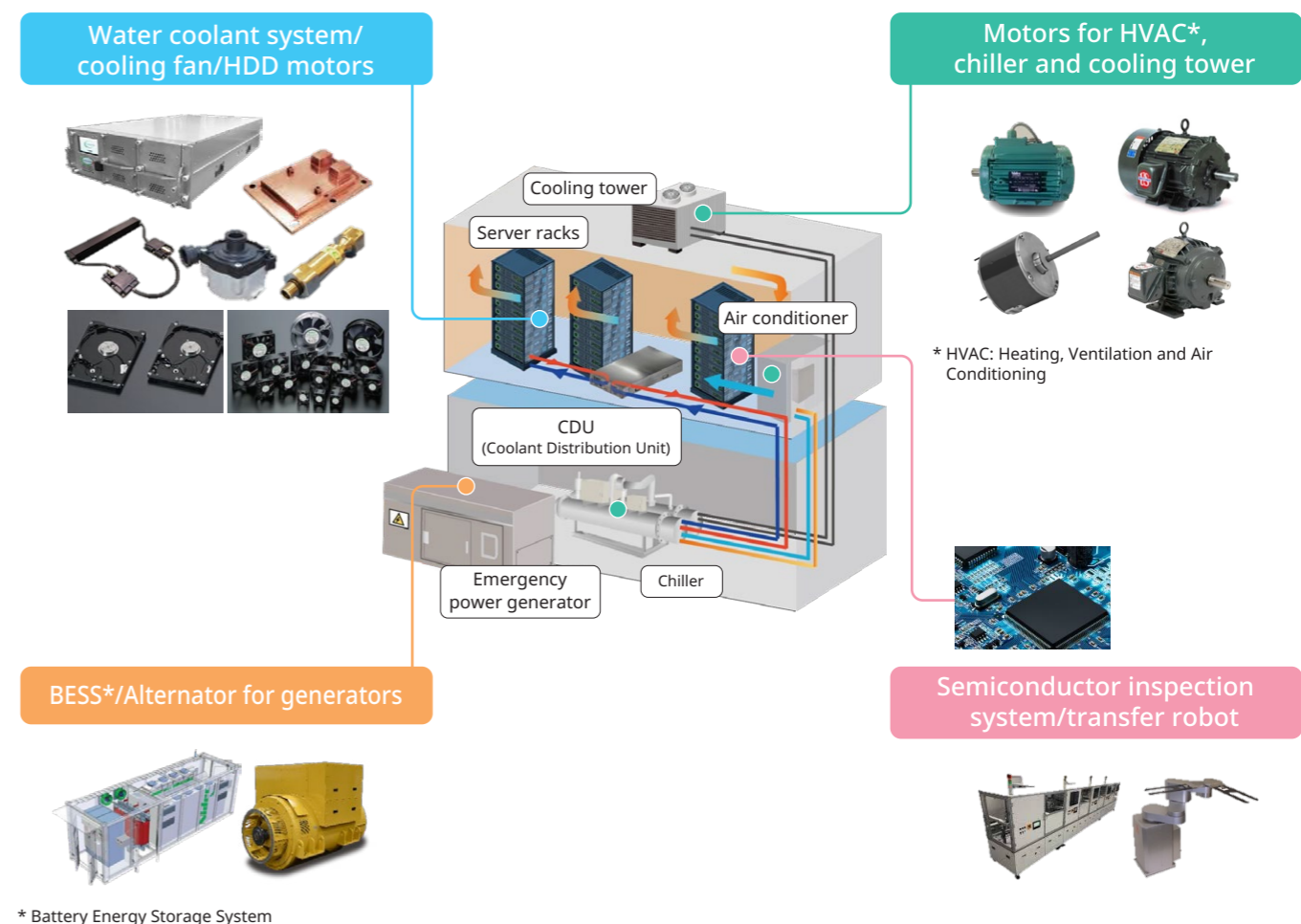
business areas, from the AI-related area where cutting-edge technologies are concentrated and the home appliances area rooted in our daily lives to the large-scale social infrastructure and mobility areas.

1 Base of AI Society

As generative AI is installed in mobile phones and PCs, the presence of AI will become commonplace in all industries and scenes of daily life in the near future. In conjunction with this, demand for products related to servers that store the explosively increasing data and data centers, and the need for heat management and technologies that do not interrupt power supply, in particular, is expanding day by day.

Starting with motors for HDDs, our original business, we have produced air-cooling fans and water-cooling modules to meet the needs of our

customers, and server cooling systems that leverage our strengths in precision machining technology and miniaturization technology, which we have developed in line with the growth of the IT industry. On top of these, we have further enhanced our product line through M&As to accommodate the diverse demands of data centers. Going forward, we will support the realization of an AI society by providing various solutions, such as VR solutions, digital twin solutions, and motors for high-altitude platform stations (HAPS), flying communication base stations.

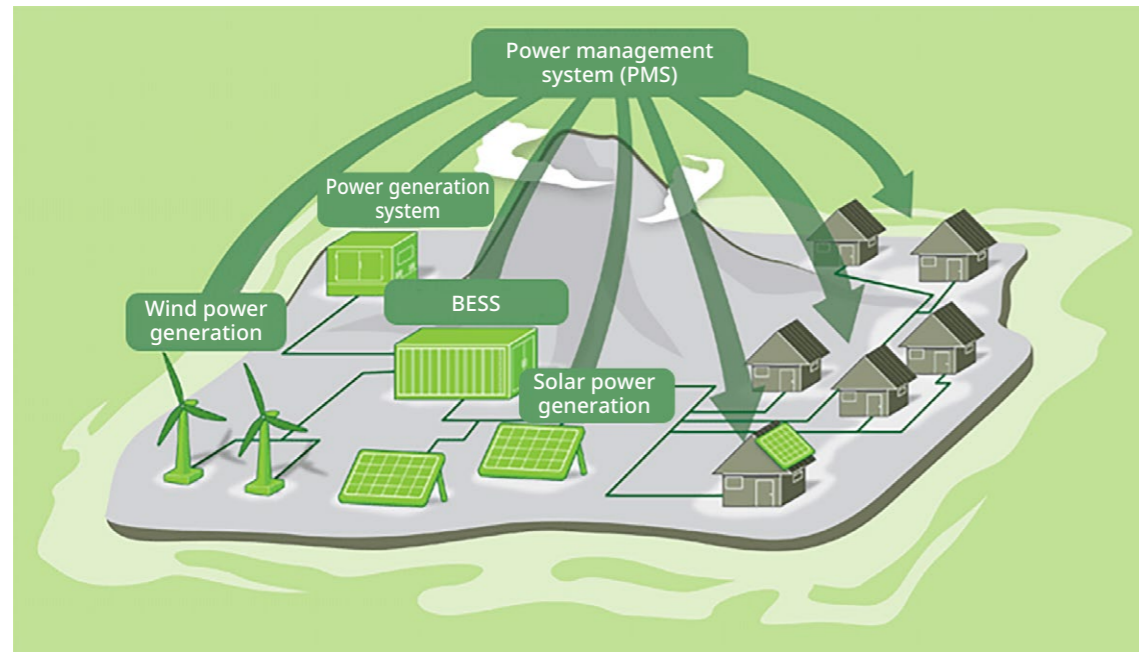


2 Sustainable Infrastructure and Energy

Amid increasing global demand for electricity, we are required to conserve energy and improve energy efficiency. Countries are making efforts to do so, including policy shift towards the use of renewable energy. However, renewable energies are characterized by unstable power generation, and in order to maximize their use, it is necessary to develop infrastructure to efficiently control the supply-demand balance.

It is said that about 50% of the world's electricity is consumed by motors. High-efficiency motors, one of our strengths, contribute to energy conservation and power saving in social power infrastructure. In

the area of generators and battery energy storage systems (BESS), which enable a stable supply of electricity and power leveling by storing efficiently produced electricity from renewable energy sources and taking out only the necessary amount of electricity when needed, we will also demonstrate our accumulated system control technology, storage battery technology, and power management technology to achieve high efficiency, thereby contributing to the maintenance of the world's infrastructure and the realization of a Circular Society from the aspects of power generation, storage and use.



3 Efficient Manufacturing

Due to the decline in the working population, labor shortages in all industries have become a social issue, and the need for labor-saving and unmanned operations through the introduction of robots and mechanical equipment is rapidly increasing as a solution. In addition, work that depends on individual skills and requires a high degree of accuracy is being replaced with high-precision machines to improve labor productivity.

We offer a full line of products in this field, including reducers, press machines, and machine tools. Reducers manufactured with our world-class gear machining technology are used in many

high-precision automated robots. Furthermore, for machine tools that are indispensable to factories, we have realized labor saving by offering multi-tasking machines that combine multiple machining methods with different functions and features in a single machine. One of our strengths is our ability to provide these products as total solutions from close proximity to our customers by utilizing our global bases.

The potential for improving production efficiency is expanding to all industries, including the use of drones in the agricultural sector. We will work on this issue by bringing together our global network of bases and technologies.

4 Better Life

From smart home appliances to commercial air conditioners, the devices that support people's lives are evolving at an ever-increasing pace. Also, as the Global South moves toward higher living standards, we believe that our products will have even more opportunities to play an active role, propelled by expanding demand for air conditioners and other factors.

For nearly half a century since its foundation, the Company has, as a good partner for manufacturers of home appliances and other finished products,

supported the improvement of the quality of life through providing them with key devices, such as thinner and smaller motors that offer greater design flexibility, and high-efficiency compressors that contribute to energy conservation. In the future, we will further accumulate technologies such as high-precision reducers for medical and nursing care robots and heat pump solutions in the air conditioning and hot water supply fields, thereby contributing to the realization of a better life from in new areas such as security, safety and health.

5 Mobility Innovation

We are seeing a rapid shift to electrification of cars, motorcycles and other vehicles that move people and goods. Such a shift in this field is expected to reduce environmental impact and improve safety and convenience. To realize electrification, it is essential to install motors that convert electric power into motive power.

As a result of the development of products and technologies indispensable for electrification, including motors for automotive applications, inverters and other power source-related products,

and technologies that contribute to the realization of CASE, we have a large share of the market for several automotive products. In addition to EVs, which have been the focus of attention for their rapid market growth, business opportunities are also expanding to include large vehicles, flying vehicles (eVTOL*), railroads and ships. By contributing to the electrification of various vehicles, we will create a future where carbon neutrality and a high degree of safety and freedom of movement are realized.



* eVTOL: Abbreviation of electric vertical take-off and landing

Three Committees

In order for the Nidec Group to become a global top-notch company under new management, organizational restructuring is as essential as business strategy. The new Nidec Group will focus on consolidation of its technological capabilities, establishment of a global personnel structure,

① Technology Strategy Committee

The NIDEC Group has an array of technologies that we have cultivated over the 50 years since its establishment. We have accumulated extensive know-how, not only in motor-related technologies, but also in elemental technologies, processing technologies, and software technologies. However, unfortunately, we have not had a system in place to fully share this know-how across the boundaries of businesses and Group companies. In order to break out of this situation as quickly as possible, we set

② Global HR Strategy Committee

The NIDEC Group currently operates in approximately 40 countries with over 100,000 employees. It goes without saying that diverse human resources of different races, nationalities, and backgrounds are the Nidec's valuable asset, but it has remained difficult to incorporate such diversity into management

③ All for Dreams Committee

While the changes in management structure and the formulation of new business strategies discussed above are absolutely necessary for the NIDEC Group to carry out its business, it is also necessary for employees to consider the significance of working for the NIDEC Group. As we have inherited the management philosophy of the Founder Shigenobu Nagamori and corporate culture, I feel that there

and transmission of the Nidec-ism. Upon assuming the position of president, I set up a completely new committee for each of these matters and have been engaged in serious discussions with all members of the committees and related departments on a daily basis.

up a cross-Group Technology Strategy Committee as the first step. The purpose of this committee is, of course, to bring together all of the technical capabilities that are unevenly distributed within the Nidec Group, but it also aims to discover our core competences. The entire Group is committed to exploring robust technological strengths that are backed by our success to date and will enable us to open the door to new business opportunities in the future.

perspectives. The Global HR Strategy Committee, which was just recently launched, is an attempt to reform the very mechanism of business management in order to analyze and discover the diverse human resources possessed by the NIDEC Group and to help employees interact with each other.

have been fewer opportunities for each employee to ponder deeply about why he/she works for Nidec. Now that we have entered our second foundation period, the All for Dreams Committee is an initiative to explore the significance of working for the Nidec Group, in other words, the NIDEC Group's purpose, together with all 100,000 employees.

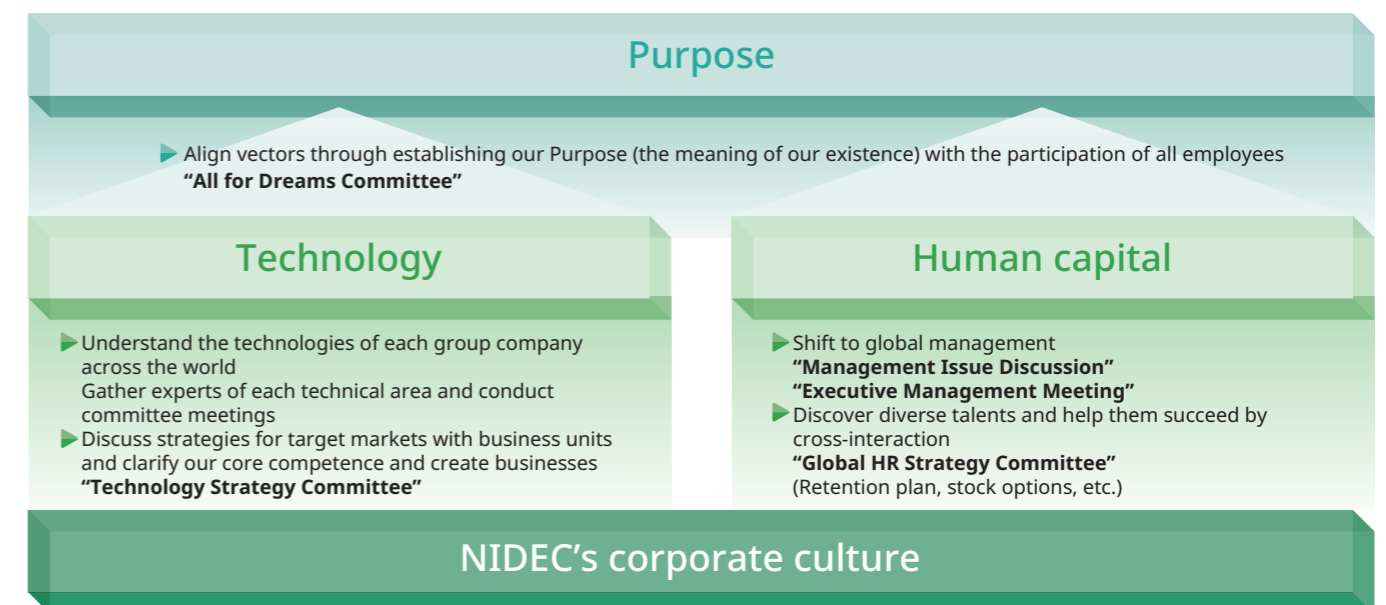


Management Message

Corporate Culture Transmission and Leap into the Future

I recognize that it is my critical mission to pass on to future generations the culture and spirit that the Nidec Group has cultivated over the years, as well as to change to a new management structure for the next 50 years. The three technological elements of a Circular Society mentioned above (Things that spin and move, Thermal management, and Electricity generation, storage, charge and conversion) and the five business areas that will be the pillars of

the future will all be supported and developed by the people and technologies of the NIDEC Group. I believe that corporate culture is the foundation that backs up the people and technologies that are essential to the Group. Building on the foundation laid by the Founder Nagamori for 50 years, we will continue to work hard every day to ensure that the NIDEC Group will remain a global leader in the future.



Mitsuya Kishida

Representative Director and President CEO
(Chief Executive Officer)



50 Years of History Driving the Next 100 Years of Revolution

I founded NIDEC in 1973, when uncertainties were shrouding Japan's rapid economic growth. Nonetheless, with a cheerful spirit and big dreams, I was determined to make NIDEC a global company. The history of our passion for motors, and of overcoming difficulties together to turn our dreams into reality, is the history which has become the foundation of NIDEC today. Now, as a global business enterprise, NIDEC leads technological innovation, engaging in not only its initial business of motors but drive technology and many other fields as well.

To commemorate its 50th anniversary, we changed our company's Japanese name from "Nihon Densan corporation" to "Nidec corporation" on April 01, 2023, to make a fresh start for our next target of the 100th anniversary. Going forward, to achieve our plan of doing in business in 100 countries or

more around the world, and constantly take on challenges to make NIDEC the true global company, I will continue to monitor NIDEC's new management as a Representative Member of the company's Board of Directors and the global representative of the NIDEC Group, to ensure that the new group management system functions smoothly. By delegating day-to-day operations to Kishida, the company's Chief Executive Officer, I, as NIDEC's founder, will dedicate my efforts to instructing others to ensure that the corporate culture we have nurtured for the past 50 years will be passed on to future generations throughout the NIDEC Group.

Shigenobu Nagamori
Founder and Chairman of the Board

Aiming for V-shaped Business Performance Recovery

In FY2023, net sales increased 5.3% year on year to 23,472 million yen, and operating profit soared 81.0% year on year to 1,626 million yen. Net sales hit a record high, and despite the recording of restructuring expenses under operating profit, I believe it will lead to financial soundness and stronger profitability in the future. In FY2024, we will shift our focus to profitability and aim for a V-shaped business performance recovery.

Since the company's establishment, I have funneled my efforts into the growth of the NIDEC Group primarily

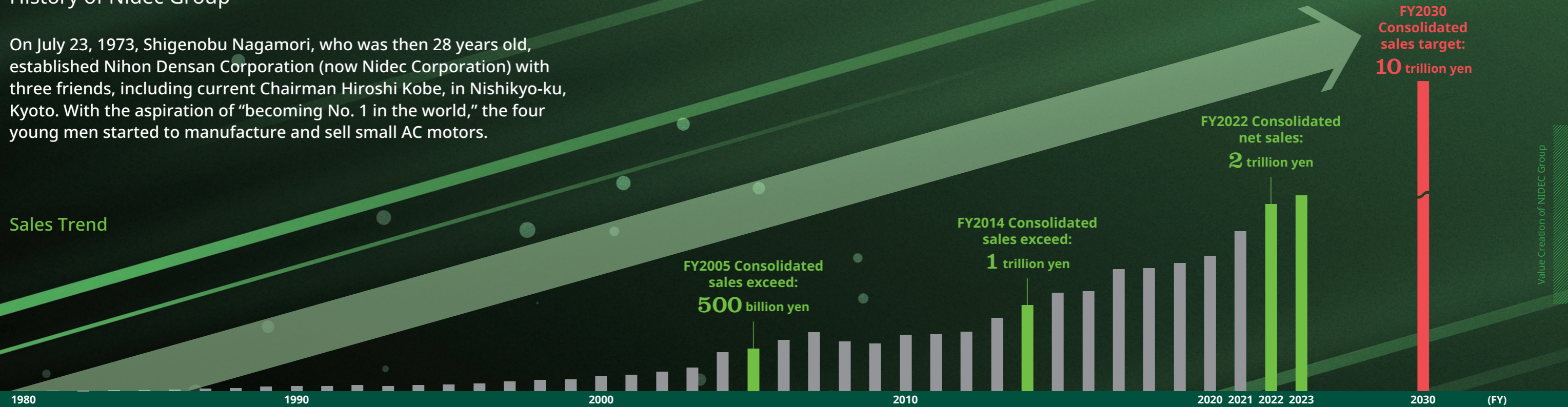
from a sales standpoint. I will continue to support the new management structure by keeping in touch with our more than 100,000 employees worldwide and many other stakeholders and by striving to train younger employees. Mr. Nagamori, Founder and Chairman of the Board, will continue to lead our M&A activities, which are indispensable to the Company's growth. In this area as well, I would like to contribute to building bridges between new companies joining the NIDEC Group and our management team, as well as to spreading our corporate culture.

Hiroshi Kobe
Member of the Board of Directors and Chairman

History of Nidec Group

On July 23, 1973, Shigenobu Nagamori, who was then 28 years old, established Nihon Densan Corporation (now Nidec Corporation) with three friends, including current Chairman Hiroshi Kobe, in Nishikyo-ku, Kyoto. With the aspiration of “becoming No. 1 in the world,” the four young men started to manufacture and sell small AC motors.

Sales Trend



1980s~1990s

Nidec becomes the world's top HDD motor manufacturer

In 1983, an US computer manufacturer launched the first business personal computer (PC) equipped with a hard disk drive (HDD) as a memory device. The PC was a hit thanks to its HDD's high-speed processing, and the demand for it increased. Having started the production of 8-inch models in 1979 and 5.25-inch models in 1981, Nidec Corporation launched the production of 3.5-inch models in 1984, and 2.5-inch models in 1988, as PCs became increasingly compact. In March 1989, Nidec Corporation purchased Shinano Tokki Co., Ltd., a company in competition with us in the HDD motor business, acquiring 90% of its global market. Nidec Corporation made a debut on the Tokyo Stock Exchange's first section (current Prime Market) in September 1998.

2000s~

Strengthening the HDD motor business and promoting business diversification

Nidec Corporation had its stock listed on the New York Stock Exchange in 2001 (and delisted the stock later). In 2000, by launching the mass production of HDD motors that used the fluid dynamic bearing (FDB) instead of the ball bearing, and by maintaining a high market share, the company solidified its status as a leading HDD motor manufacturer. In the meantime, Nidec Corporation diversified its businesses, including the automotive power steering motor business, whose product development started in 1995, and its mass production in 2000. The company now boasts the largest global market share of this business.

2010s~

Growing into a global comprehensive motor manufacturer through M&As

2014 saw Nidec Corporation open Nidec Research and Development Center, Japan (current Nidec Shin-Kawasaki Technology Center), and Production Engineering Center (current Nidec Keihanna Technology Center) in 2015, to build a system for basic motor researches and technological innovation in manufacturing. HDDs' global shipments reached their peak of approximately 650 million units in 2010, to start declining to approximately 120 million units, down approximately 80% of the peak, in 2023. With the decline in demand for HDD motors, Nidec Corporation decided to shift its focus to automotive, and appliance, commercial and industrial businesses, and actively purchased companies strong in these areas via M&A. These activities led us to become a comprehensive motor manufacturer that supplies motors, ranging from super-small ones to large ones, to any and all fields of business.

2020s~

Becoming a growth company that can respond dynamically to environmental changes

July 2023 marked Nidec Corporation's 50th anniversary. With this timing, the company's name, together with those of our group companies, were changed to names that start with “Nidec” in April that year. By effectively combining the strengths of the individual companies, which possess a variety of technologies in a wide range of fields, we are committed to creating new functions and values. In April 2024, the company launched a new management system, led by Mitsuya Kishida as President and CEO, and announced in July a plan to achieve a sales target of 10 trillion yen in the fiscal year of 2030. As a company that actively engages in activities for the 17 Sustainable Development Goals (SDGs) to realize a sustainable society, Nidec Corporation upholds a major strategic theme, “Be a company that is positively evaluated for its ESG management!,” and contributes to creating a sustainable and affluent society.

Nidec's history of growth via M&A

Around 1995, researches were conducted on the use of the FDB as HDDs' growing capacity started requiring motors' rotation to be more accurate. However, with no bearing manufacturers producing FDBs, Nidec Corporation embarked on their development and production. After purchasing companies with required technologies, including Tosok Corp. and Kyori Kogyo Co., Ltd. in 1997 and Copal Co., Ltd. and other companies in the following years, Nidec Corporation started mass-producing FDB-equipped HDD motors in 2000, and acquired a large market share.

While the success of the FDB-equipped HDD motors was

critical to us, Nidec Corporation diversified its businesses to be prepared for possible failures by purchasing other companies via M&A to enter into businesses outside HDD motors. The 1998 acquisition of Shibaura Densan and the purchase of Y-E Drive Corp. in 2000 served as stepping stones for Nidec Corporation's entry into the appliance, commercial, and industrial markets. Even though the entry barrier was high for the power-steering motor business, and we were unable to expand our customer base, our commercial network broadened after the acquisition of French company Valeo S.A.'s actuator business in 2006.

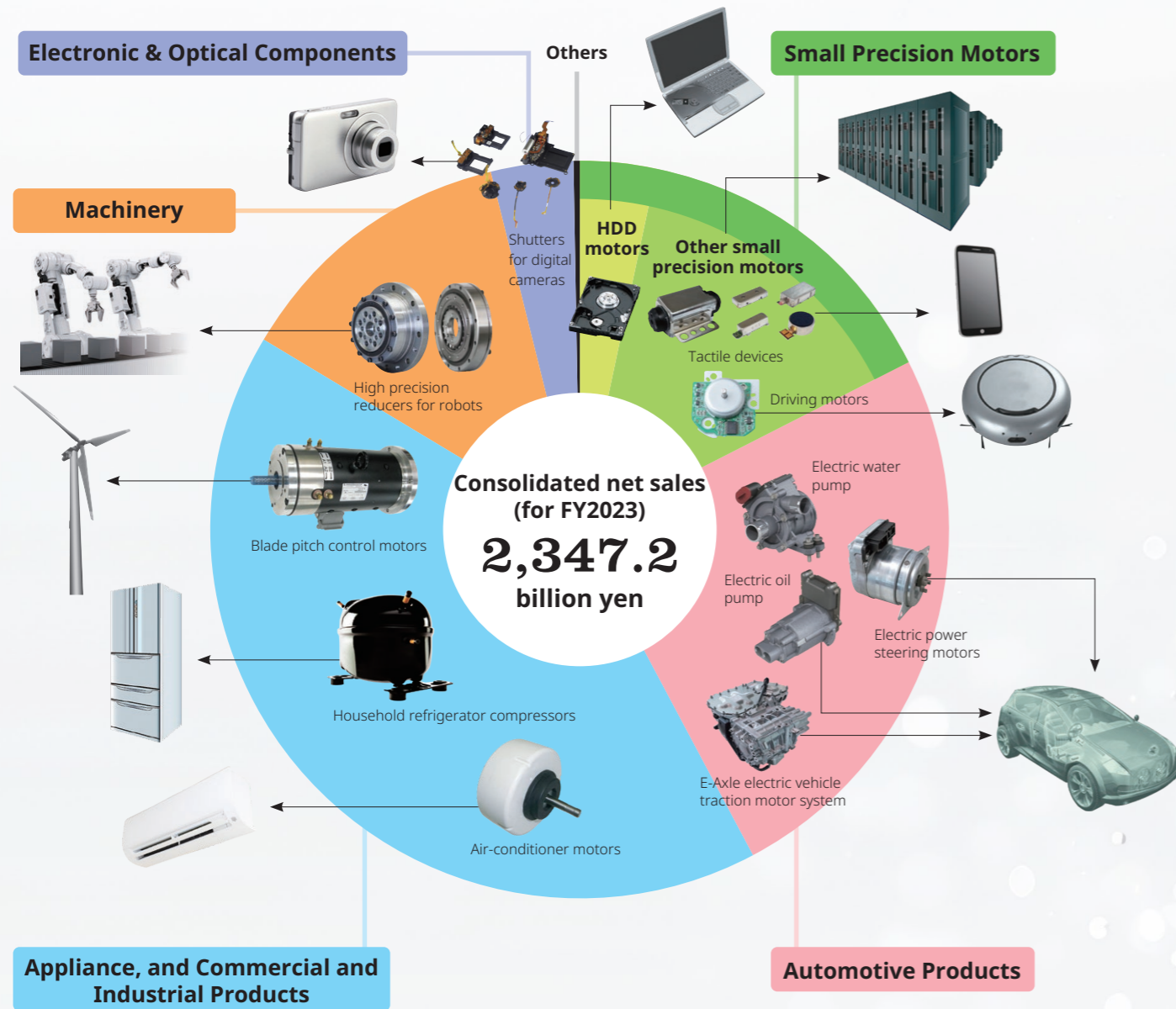
After the decline of the HDD market, Nidec Corporation launched M&A in the automotive business, where we were able to aim for further growth by utilizing our long-nurtured technologies, and in appliance, commercial, and industrial businesses, to successfully diversify our businesses. In the automotive business, we combined our electric power steering motors with electronic control units (ECUs) – a new technology we had acquired through M&A – to develop power packs that are light and compact, and keep noise levels to a minimum. In addition,

by purchasing Mitsubishi Heavy Industries Machine Tool Co., Ltd. (current Nidec Machine Tool Corporation) – a company excellent at producing gear cutting machine – in 2021, Nidec Corporation entered into the machine tool business. As gear cutting machines are critical in producing reducers, owning the technology to make the machine tools is an element that makes us competitive in the reducer business. Nidec Corporation's strength lies in its ability to not simply expand businesses but create synergies and new values via M&A.



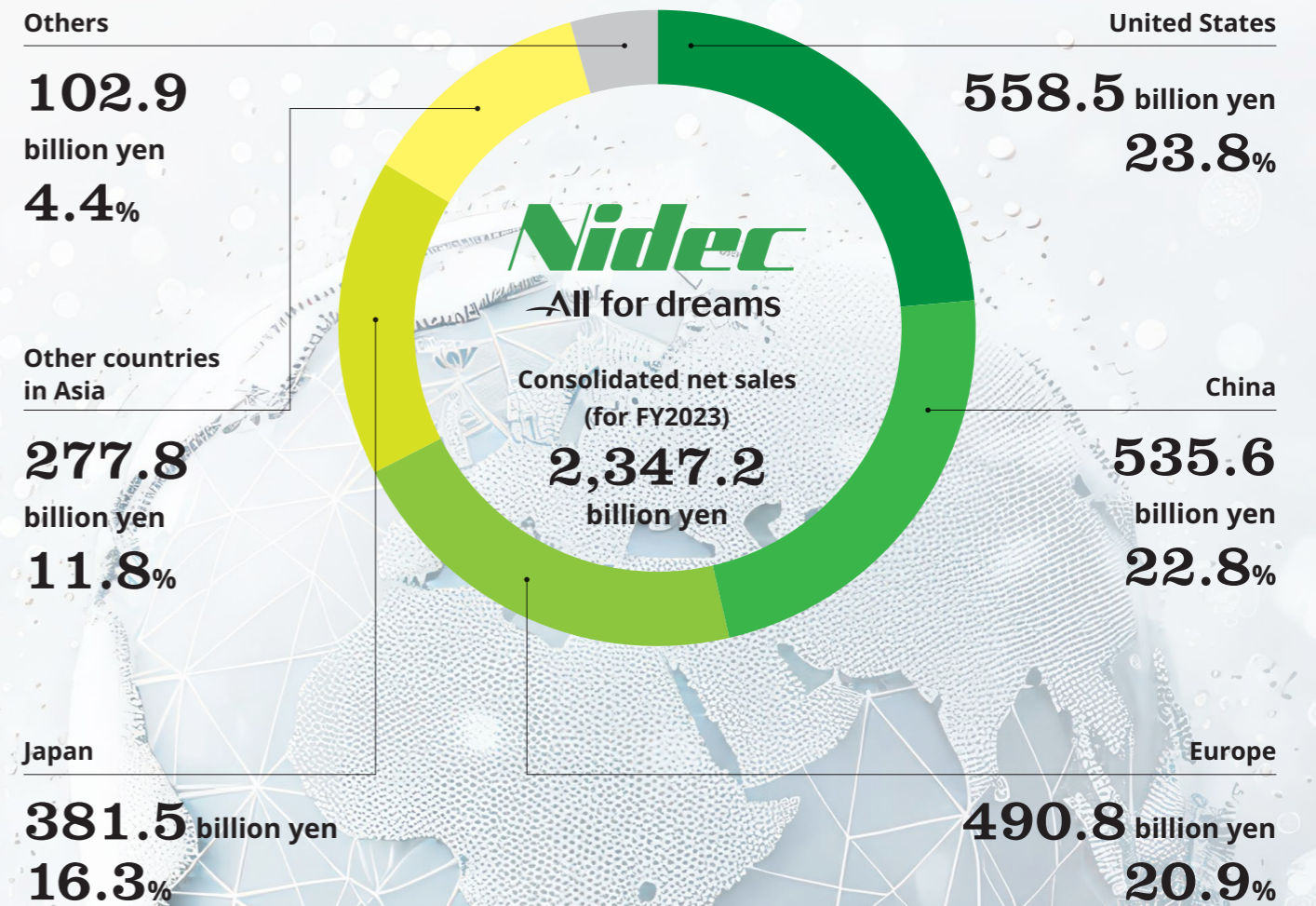
NIDEC offers a wide variety of motors ranging from precision small to super-large, as well as applied products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other fields. We will contribute to the enhancement of people's lives and the development of industries by continuing to deliver highest quality, indispensable, and widely desired products for the common good of all, through active M&As and organic growth.

Consolidated Net Sales by Product Group



Product group	FY2023		
	Net sales (Billions of Yen)	Operating profit (Billions of Yen)	Operating profit ratio (%)
● Small Precision Motors	415.7	37.5	9.0
● Automotive Products	580.9	-31.2	-5.4
● Appliance, and Commercial and Industrial Products	966.1	114.9	11.9
● Machinery	298.4	43.9	14.7
● Electronic & Optical Components	81.8	13.2	16.1
● Others	4.2	0.3	8.2
Total	2,347.2	162.6	6.9

Consolidated Sales by Region*



* Based on the countries where consolidated Group companies selling products to external customers are located

Business Sites

NIDEC Group operates globally with business sites in 48 countries/regions.

Number of group Companies

348

Number of employees

101,112

Number of countries/regions with business sites

48

(as of March 31, 2024)

Value Creation Process

NIDEC will fulfill its mission of “contributing to the world by producing the highest quality motors in the world” by providing solutions to the common issues of humankind through its business activities.



External environment

- Popularization of AI
- Decarbonization
- Power saving / labor saving
- Improvement of living standards
- Electrification and automation of vehicles

INPUT

Input

Financial capital

- Consolidated total assets: **3,160,400 million yen**
- Shareholders' equity ratio: **51.6%**

Intellectual capital

- R&D expenses: **81,100 million yen**

Human capital

- Consolidated number of employees: **101,112**
- Global human resources
- Diverse human resources
- Employee training hours per person (non-consolidated): **11.6 hrs**

Social capital

- Number of group companies: **348**
- Number of countries/regions with business sites: **48**
- Joint research with universities, research institutes and companies

Manufacturing capital

- **More than 200** production bases
- Capital investment: **112,000 million yen**

Natural capital

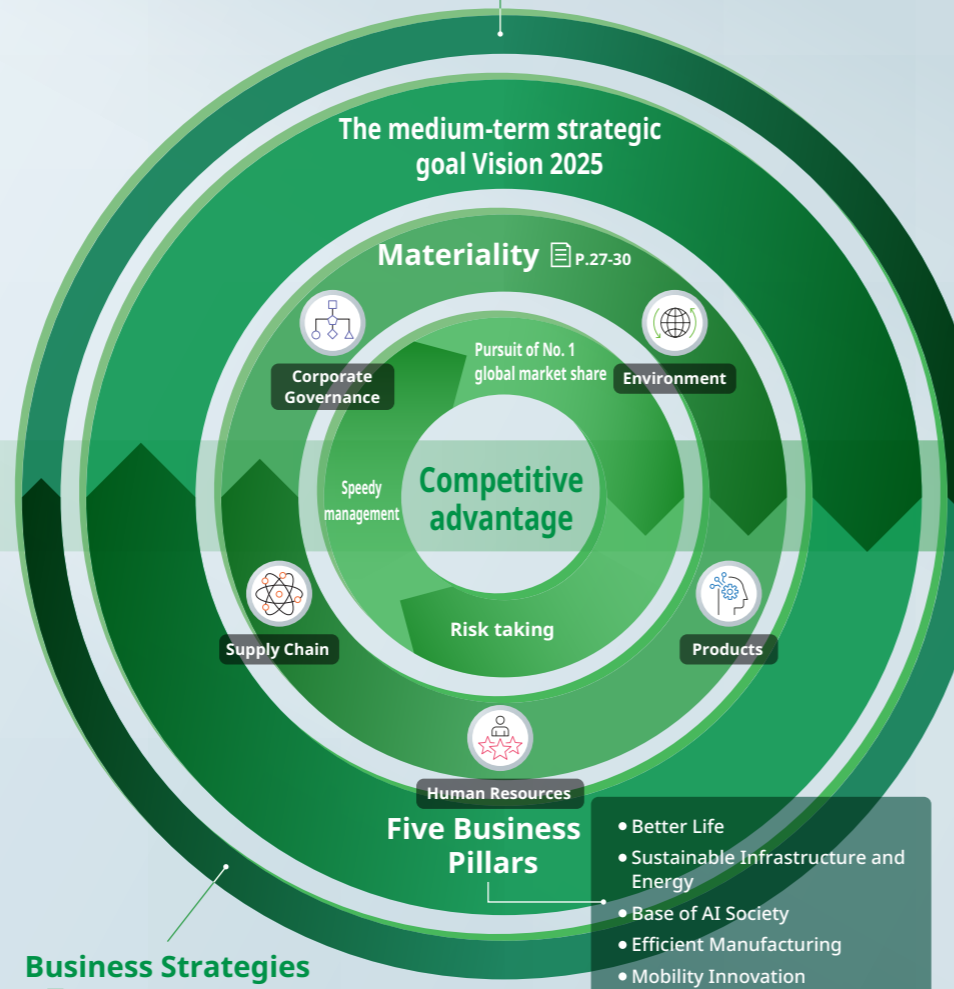
- Total energy input: **2,460,021 MWh**
- Water resources input: **8,233,000 m³**

BUSINESS MODEL

Business model

Sustainability management

- P.25-30 Sustainability that Realizes Value Creation
- P.37-44 Human Resources Strategy
- P.45-46 Technology Strategy
- P.50-60 Environment Strategy
- P.61-62 Supply Chain Management



OUTPUT

Output



E-Axle / Automotive motors



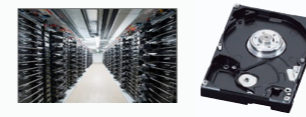
Reducer modules



Brushless DC motors



Fan motors, vapor chambers



Nearline HDD motors

OUTCOME

Outcome

Financial capital

- Net sales: **2,347,200 million yen**
- Operating profit: **162,600 million yen**
- Operating profit ratio: **6.9%**
- Profit attributable to owners of the parent: **124,900 million yen**

Intellectual capital

- Number of patents held*1 (as of March 31, 2024): **10,793**

Human capital

- Average length of service (non-consolidated): **12.6 years**
- Managerial positions held by women and female directors: **22.9%**

Social capital

- Participation in national projects of industry-government-academia collaboration NEDO*2 Green Innovation Fund*3 project "Development of nextgeneration motors"

Manufacturing capital

- Manufacturing high-quality products
- Promoting cost reduction activities

Natural capital

- Renewable energy introduction ratio: **12.5%**
- Reducing CO₂ emissions in the supply chain

GOAL

Vision

Global company that grows sustainably for the next 100 years and beyond

- Providing solution business
- Maximizing organizational strength
- High stock price
- Achieving a market capitalization: **10 trillion yen**

*1 Including those held by group companies in Japan and major overseas group companies in the appliance, commercial and industrial segment.
 *2 NEDO: New Energy and Industrial Technology Development Organization
 *3 Green Innovation Fund: established on December 25, 2020 in the Green Growth Strategy Through Achieving Carbon Neutrality in 2050 formulated by the Ministry of Economy, Trade and Industry with other relevant ministries and agencies to create a virtuous cycle of economy and the environment.

Capitals of NIDEC Group

NIDEC Group aims to become a “top-class” global company that continues to grow for over 100 years by strengthening its capitals through the inheritance of its corporate culture and strengths of “Pursuit of No.1 global market share”, “Speedy management” and “Risk taking”.

Financial capital



A sound financial structure that achieves medium- to long-term improvements in corporate value

We have emphasized growth investment, and have pursued profitability and growth centered on HDD motors through the maintenance of a sound financial structure and M&A. From now on, we will also focus on new growth areas, and will position ROIC management as an important management indicator. In FY2023, we achieved record-high free cash flow, and we are appropriately allocating and investing these funds in each business with the aim of improving corporate value in the medium- to long-term.

Cash Allocation for Improving Corporate Value

Our company's top priority is to improve our ability to generate cash flow, and we allocate the cash we generate to the areas of “growth investment,” “shareholder returns,” and “interest-bearing debt control” in a way that contributes to improving our corporate value over the medium- to long-term. This type of capital allocation leads to further improvements in our ability to generate cash flow.

P.35-36 Financial Strategy

Manufacturing capital



Developing business globally with stable, high-level technological capabilities

Our group has cultivated a variety of manufacturing technologies, centered on those related to motors, at more than 300 group companies and more than 200 production bases around the world. We will continue to contribute to the realization of a sustainable society and the resolution of global social issues by safely utilizing the technologies and know-how we have accumulated over the past 50 years in product development, manufacturing, and business activities.

Establishing a safe, secure work environment

We are working to create a safe and healthy working environment for employees at all NIDEC Group locations, including newly established offices and locations added through M&A. We are working to ensure the safety of our manufacturing processes and equipment on a global level, with the aim of eliminating serious workplace accidents.

P.43-44 Human Resources Strategy
(Promote occupational safety and health, and health-oriented business management)

Intellectual capital



Contributing to business through the creation of intellectual added value

Our company places importance on contributing to business through the creatio portfolio management and rights utilization that are competitive on an international level in line with the product life cycle, and we develop business activities based on detailed research while respecting the intellectual property rights of other companies. We will promote product development that focuses on the SDGs and the resolution of global social issues, and secure international competitive advantage, with the aim of achieving a sustainable society.

Creation of next-generation technology that generates profits

By linking the activities of the research institute more closely to business, we will promote the self-reliance and autonomous growth of the entire NIDEC Group, and achieve high performance and profits. By having each member of the R&D team have a perspective on creating new businesses and organically combining each technology and know-how, we will form a strong technical group. We are working to contribute to society through technological evolution, aiming for a market capitalization of 10 trillion yen.

P.45-49 Technology Strategy

Human capital



Human Capital Management as the Cornerstone of the NIDEC Group's Integration

We regard human capital as the cornerstone of the NIDEC Group's growth strategy during its second founding period. Through the transfer of leadership from the founder to the new president, we aim to become a “global company that continues to grow for over 100 years” based on “NIDEC-ism” and “NIDEC way”. While recognizing diversity, we will develop a human resources strategy and human capital management that allows all employees to compete globally and work towards the same goal under the philosophy of “One NIDEC”.

NIDEC Global Personnel Policies and the Creation of a System for Developing Human Resources

Based on our corporate philosophy, corporate slogan, and NIDEC way, we have compiled our basic approach to company organization and human resources as the “NIDEC Global Personnel Policies”, and are putting these into practice. In addition, in order to establish a group management system that looks ahead to the next 50 years, we are building a succession plan and a system for producing the organizations and human resources needed to maintain sustainable management, no matter who the leader is.

P.37-40 Human Resources Strategy
(Further Evolution in the Second Founding Period -Building independent and self-reliant organizations and developing human resources)

Social capital



Building relationships of trust with diverse stakeholders

Our group considers our customers, business partners, local communities, employees, shareholders and the global environment to be our main stakeholders, and we consider it an important management issue to meet the expectations of these stakeholders through communication with them. We will build mutual trust with diverse stakeholders through dialogue that respects human rights and ensures transparency and fairness, and we will contribute to the sustainable growth of society as a whole.

Respect for Human Rights in Supply Chains

In order to prevent human rights violations in the supply chain, we make our suppliers aware of the “NIDEC Group Supply-Chain CSR Promotion Guidebook” and the “NIDEC Group Human Rights Policies”. We also identify potential human rights risks and determine the priority of our initiatives through the NIDEC supplier CSR self-assessment.

P.61-62 Supply Chain

Natural capital



Contributing to a sustainable global environment

As a company that operates globally, the NIDEC Group has positioned “contributing to a sustainable global environment” as one of its key sustainability issues, and is aiming to achieve net zero CO₂ emissions from its business activities by FY2040, and net zero CO₂ emissions including its supply chain by FY2050. In order to achieve these goals, we will promote the introduction of renewable energy, energy-saving activities, the development and supply of products that contribute to decarbonization, the analysis of the business impact of climate change risks and opportunities, and the incorporation of climate change measures into management strategies.

Efforts to achieve net zero CO₂ emissions

In order to achieve net zero CO₂ emissions in the future, we have undergone third-party verification of our CO₂ emissions for the first time in FY2023, and have set medium-term CO₂ reduction targets through FY2030. This target has been certified as a Science Based Target (SBT). In addition, we have set the themes of “contributing to decarbonization through products” and “reducing CO₂ emissions from business activities” as KPIs for materiality, and we are working to reduce CO₂ emissions by supplying products that contribute to the promotion of the electrification of mobile vehicles and introducing renewable energy in our business activities.

P.50-60 Environment Strategy

Business strategies that distinguish NIDEC from other companies

What is the core business strategy that has supported and will continue to support NIDEC's growth journey from its founding to the present, and from the present to the future?

Pursuit of No.1 global market share

The most important pillar of NIDEC's business strategy is "pursuit of No. 1 global market share." This strategy consists of three elements: ① Be the first to market, ② Technological development ahead of competitors, and ③ Thorough pursuit of cost competitiveness. Specifically, we make advance investments before the occurrence of demand for a product and capture a majority market share when the demand occurs. After that, we drive down costs to keep our competitors at bay and create a situation where we have an advantage over our competitors. By using this strategy, NIDEC has captured the world's top share for many products, including HDD motors. Given the fact that oligopolies involving a few big companies are found in many industries, the strategy of "pursuing No. 1 global market share" is perfectly rational.

Speedy management

Speed is NIDEC's greatest weapon. Make a decision and take action as quickly as possible—this is another pillar of NIDEC's business strategy. An order received from 3M in the United States for motors for cassette duplicators became the driving force behind NIDEC's growth during its founding years. It is no exaggeration to say that NIDEC won this order because it had accepted on the spot 3M's extremely difficult request to "reduce the size of the motor by 30%." For automotive products, the lead time is usually three to four years, but we continue to work at the same kind of speed as when we developed that motor for 3M. In the case of the E-Axle traction motor system for electric vehicles, for which we received orders from the Guangzhou Automobile Group in 2017, we commenced mass-production from zero—no plant, no facilities and no people—in only about one year. NIDEC clearly practices speedy management.

Risk taking

"Take a risk when needed." This is another pillar of NIDEC's business strategy. Even though market expansion is expected in the future, if you hesitate to take risks and your market entry is delayed, then you will fall behind your competitors and will not be able to gain the benefits of market expansion. In the case of HDD motors, we made large-scale investments before full-fledged market expansion. We built production plants and secured the capacity to mass produce HDD motors on a large scale, ahead of our competitors. This led to us gaining an overwhelming position in the market. For the electric vehicle (EV) product business, we are making advance investments without hesitation and working to establish a production system for a traction motor system for EVs, whose demand is expected to grow rapidly in and after 2025.

Abundant management resources that support the company's business strategies

1. Numerous products with the largest market share in the industry (Financial foundation)
2. Over 100,000 employees around the world (Human resource foundation)
3. More than 200 production sites around the world (Production foundation)
4. Strong experience and expertise in M&As (Growth foundation)

Corporate culture that turns adversity into opportunity for growth

What are the characteristics of NIDEC's corporate culture that sees adversity as an opportunity and takes on challenges for continuous growth?

The existence of a corporate culture that forms the basis of all business activities

NIDEC has embraced the following three essential attitudes since its founding:

- ① "Do it now; do it without hesitation; do it until completed"
Do what you can do immediately now, instead of thinking you will do it tomorrow or sometime later, and do it until it's completed.
 - ② "Passion, enthusiasm and tenacity"
Gushing passion, welling enthusiasm, and tenacity that fights against difficulties—these are the three core principles that form the foundation of everything we do at NIDEC.
 - ③ "Work hard and smart"
Work hard and smart to produce output that cannot be achieved just by working in an ordinary way.
- NIDEC has achieved continuous growth since its foundation on July 23, 1973. This has been possible only because of the existence of the three essential attitudes, which serve as the foundation for our daily business activities, and the corporate culture which we should go back to when we face difficulties.

Corporate culture that views adversity as an opportunity

"A problem is always accompanied by its solution." NIDEC has achieved continuous growth by turning obstacles into opportunities. When our major manufacturing plant for HDD motors was submerged by the floods that occurred in Thailand in 2011, thanks to local employees' tireless efforts, the plant was able to resume normal operations very quickly, thus helping maintain its competitive advantage. NIDEC MOBILITY CORPORATION (former OMRON Automotive Electronics Co., Ltd.), which joined the NIDEC Group in 2019, has also been growing by transforming adversity into opportunity. When sales fell by half in the first quarter of FY2020 due to the suspension of operations of its customers' plants, the company streamlined its business operations in every aspect. As a result, the company managed to maintain operating profit at around the break-even point in the fourth quarter of the same year, and during the subsequent period that saw a recovery in sales, the company witnessed a sharp increase in operating profit.

Corporate culture instilled throughout the organization

NIDEC's corporate culture is not just for the management. In the WPR[®] Project, which was launched in 2009, thousands of ideas has been submitted from frontline workers on the manufacturing floor for cost reduction and efficiency improvement. These ideas have become a big driving force for the progress of the project. NIDEC's growth is supported by the corporate culture instilled throughout the organization and "shop floor capability" that has been accumulated over the years.

* WPR=Double Profit Ratio. Focusing on cost reduction and improving efficiency, the WPR Project aims to secure a surplus even if sales decline by half, and when sales return to the original level, to double profitability from the previous level.

Philosophy that lies at the root of the corporate culture: "Pursuit of the world's No. 1 position for continuous growth"

As exemplified by Nagamori's remarks such as "Anything but first is equivalent to last place," and "A snake that doesn't shed its skin will die," pursuit of the world's No. 1 position for continuous growth has been upheld since Nidec's founding and is built into the DNA of the company. Only high-ranking companies have been able to survive in many industries, and there are some cases where a company's growth is impeded by its dependence on existing businesses. Pursuit of the world's No. 1 position for continuous growth can be said to be perfectly rational as a business strategy.

Message from the Director in Charge of Sustainability



Fumiaki Ushio
Senior Vice President

We will listen more carefully than ever to the voices of our customers, and achieve strong and flexible company growth.

Since I took charge of sustainability management in January 2024, I have been approaching my work with a stronger awareness of the importance of listening than ever before. This is because, in order to achieve strong and flexible corporate growth, it is essential to listen more carefully than ever to the various voices surrounding our company, as the prerequisite for realizing this is that “the direction of the business strategy that the company is aiming for and the path to solving the social issues that the world is seeking to address are in alignment”.

Today, we are facing global structural changes such as the energy revolution in response to climate change, the impact of pandemics, and geopolitical turmoil, while at the same time we are in the midst of a technological turning point, as typified by the rapid evolution and spread of artificial intelligence (AI). We have changed our management strategy and investment direction in response to these changes in social conditions that are progressing at the macro level.

In this context, we have set the most important themes for ensuring the sustainability of our management for 2021 based on the results of interviews with senior management and institutional investors, and have been working to reduce risks and discover opportunities in 15 areas (materiality) related to the environment, products, human resources, supply chains, and governance. For a global manufacturing company like ours, the most important factors in adapting to unforeseen changes are “environment” and “people,” which can have a cross-cutting impact on these materiality areas.

Listening to the voice of the environment

As a company that operates a global-scale business in the field of motor and other drive technologies, we have a responsibility to improve the environmental characteristics of the products we provide, while at the same time minimizing the amount of energy and resources used in all processes from material procurement and manufacturing to disposal. These are also initiatives that will lead to the realization of a Circular Society, a global issue, and the reduction of greenhouse gases, which is at the core of climate change countermeasures, and by adding new environmental value to our product design concepts and manufacturing methods, we will achieve business growth that meets the expectations of society. We have announced our net zero CO₂ emissions initiative for our entire supply chain by 2050. We are learning about the rational approaches required of our company through advice from our customers and participation in international initiatives, and putting them into practice. This includes reporting on climate change and water usage through the CDP (a global disclosure platform for environmental information), analyzing and disclosing the impact of climate change on our business in line with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), and formulating greenhouse gas reduction targets for 2030. This target was recognized as a scientifically based target for achieving the “1.5°C target” in the Paris Agreement, and it has been certified as an SBT by the international climate change initiative SBTi (Science Based Targets

initiative). In both cases, effective collaboration with a wide range of value chains will be necessary on the path to achieving the plan.

Listening to the voices of people

At our offices around the world, we have over 100,000 employees of diverse nationalities, races, religions, cultural backgrounds, and specialties, who are supported by many customers, business partners, and people in the surrounding communities as they carry out their work. This suggests the importance of taking responsible business actions that are internationally acceptable while understanding the cultural assumptions that differ from country to country, and also shows that close dialogue with the value chain is the key to the continuation of our business.

Furthermore, the presence of many employees from various backgrounds means that the pool of human resources that will carry our company into the future is that much deeper. Through our extensive pool of human resources, we focus on the potential of each and every one of our employees, and we aim to create a workplace environment where employees can find motivation and joy in their work while increasing flexibility in the way they work, as well as to discover and develop human resources who can open up opportunities for the growth of the company and themselves. To achieve this, it is necessary to carefully align the skills required by the company with the work and life perspectives of the individual employees, and we recognize that the construction of a process that makes this possible is a core issue in our Human Resources Strategy. The “Global HR Strategy

Committee” established in April 2024 is the first step in such a process.

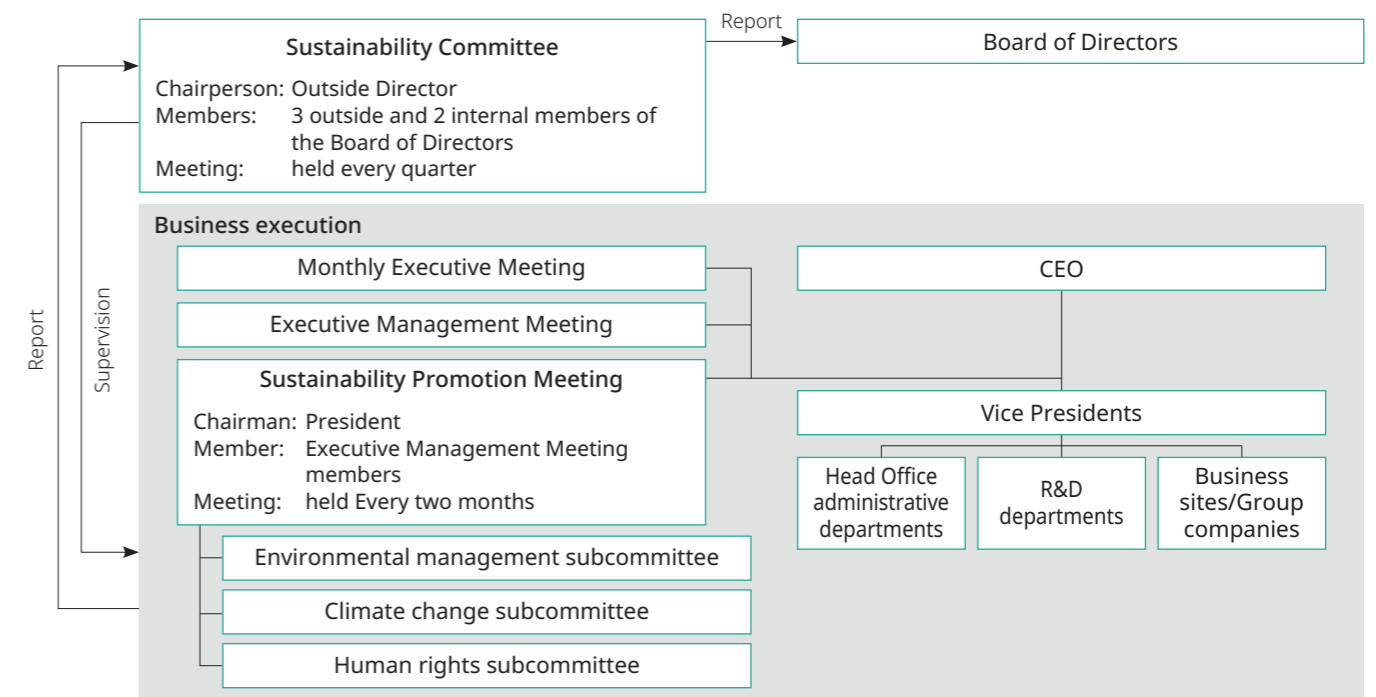
In addition, the human rights perspective is essential for meaningful communication with a wide range of internal and external stakeholders, and its importance will only increase in the future. Following the formulation of a human rights policy that applies to the entire Group, we will continue to deepen our understanding of its essential nature and build a system to understand the realities of our company and supply chain from a social perspective.

Governance Structure for Sustainability

As a governance structure necessary for addressing various issues related to sustainability management, including materiality, we have established the Sustainability Promotion Meeting as an executive body and the Sustainability Committee as a supervisory body. The Sustainability Promotion Meeting meets every two months in principle, where the president and other executive officers discuss the progress of implementation plans and issues, as well as sharing information on new social demands. The content of the meeting is reported to the Sustainability Committee, which is made up of a majority of outside directors, and is then shared with the Board of Directors. In June 2024, we introduced a system linking the remuneration of executive officers to the company’s ESG performance.

In order for our company to achieve sustainable growth in the future, it is essential that we work in partnership with our stakeholders. We hope that you will understand the intent behind our sustainability initiatives, and we look forward to your candid feedback.

Sustainability promotion system



Materiality of the NIDEC Group

In 2021, we identified the issues that are important for enhancing our corporate value over the medium- to long-term and for fulfilling our mission of “contributing to the earth with the world’s most advanced motors”. To ensure effective and steady implementation of our materiality initiatives, we have set 15 action themes in the five materiality categories. And, for each theme, we have set KPIs, which we intend to achieve by FY2025. We incorporate the KPIs into the new medium-term strategy and various strategies such as those for the environment and Human Resources, and work on them to enhance the sustainability of our business. We may change the materiality issues, action themes and KPIs taking into consideration their validity according to the business environment in the future.

Process of Materiality Initiatives

STEP 1

Understanding and organizing material issues

Based on the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB) Standards, the items on which ESG evaluation institutions place importance, social issues, and our business environment, we have organized the items that we consider important in terms of both risks and opportunities in our business and have selected 44 candidate items for materiality (material issues) to be prioritized.

STEP 2

Evaluating material issues from the perspective of stakeholders

For the 44 candidate items for material issues, we conducted a questionnaire survey targeting institutional investors in Japan, Asia, Europe, and the U.S. We asked investors who hold many shares of our company and investors who have experience in ESG engagement to evaluate the importance of each candidate item.

STEP 3

Evaluating material issues from the perspective of our company

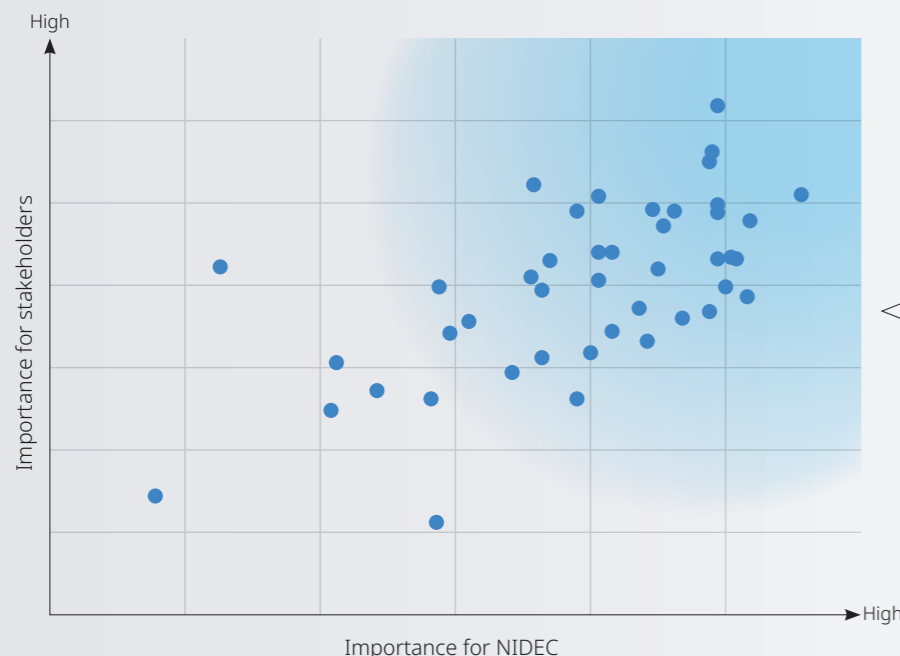
We conducted a similar questionnaire survey of Nidec’s directors, executive officers, and overseas management officers.

STEP 4

Identifying material issues after evaluating their validity by the Vice Presidents and the Board of Directors.

Based on the results obtained in Steps 2 and 3, the management selected the material issues to be prioritized in terms of importance for both stakeholders and NIDEC after repeated discussions. The extracted issues to be prioritized are classified into five materiality categories and 15 themes after the deliberation of the Board of Directors.

Identification of Materiality





NIDEC’s materiality


- Environment**
Contribute to environmental sustainability
- Products**
Provide products and services adapted to social change
- Human resources**
Retain and develop diverse talent
- Supply chain**
Build an internationally competitive supply chain to solve social issues
- Corporate governance**
Create a solid governance system

Please see the next page for details.

Materiality

Category	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2023	
 Environment	Contribute to environmental sustainability	Realize a carbon-free society	Contribute to decarbonization through products	Contributing through Automotive Products <ul style="list-style-type: none"> Reduce CO₂ emissions by introducing the EV traction motor system (E-Axle/BSG): Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂ Reduce CO₂ emissions by introducing electric power steering (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂ Reduce CO₂ emissions by introducing electronic brake booster (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 10,029,000 t-CO₂ Contributing through the small precision motors <ul style="list-style-type: none"> Reduce CO₂ emissions by introducing motors for compact EVs: 35,000 t-CO₂ per year Reduce CO₂ emissions by introducing motors for e-bikes: 32,000 t-CO₂ per year 	In the Automotive Products business, we are developing the third generation of E-Axle models, which have technological advantages such as low cost, high profitability, functional integration, and high-speed rotation, and we plan to increase sales volume in FY2024. In the small precision motors business, we are developing and improving our production system for drive motors for e-bikes. We are preparing for the growth of the e-Bike market by starting up a new plant, and we aim to contribute to a decarbonized society with environmentally friendly next-generation models.	
			Reduce GHGs emissions attributable to business activities	<ul style="list-style-type: none"> By FY2025, increase the introduction ratio of renewable energy to 40% on a consolidated basis Annually disclose a climate change scenario in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations 	Aiming to increase the introduction ratio of renewable energy, we are promoting initiatives that focus on both energy conservation activities and the introduction of renewable energy at each business site. Regarding the TCFD Recommendations, we have completed scenario analysis of climate change impacts.	
			Manage waste and hazardous waste	—	<ul style="list-style-type: none"> Reduce the volume of waste generated in intensity per unit sales by at least 3% from the level of FY2022 	We are promoting activities to save resources and reduce defective products by reviewing product design, and we aim to reduce the amount of waste and valuable resources generated in FY2023 by 4.7% compared to FY2022 on a per-unit sales basis. We also place importance on improving material yield, and we aim to achieve reductions by improving processing losses during manufacturing.
			Handle water risks	—	<ul style="list-style-type: none"> Fully complete water risk assessments at all production sites 	Using Aqueduct and the Water Risk Filter, we assessed the water risks at all production sites. We investigated the impact on business in five areas: flooding, water shortages, water quality, water supply fluctuations, and regulations/reputation, and identified flooding and water shortages as important risks. We identified 12 sites with high risk: five in China, three in Thailand, two in Vietnam, and two in India, and confirmed that risk countermeasures were being taken at these sites.
 Products	Provide products and services adapted to social change	Pursue product safety and quality	—	<ul style="list-style-type: none"> Create a database for chemical substances contained in products to make it easier for the development department to determine the choice of materials, and shift to an environment-oriented development system Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025 Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks 	The Small Platform Motor & Solutions Business Unit has already complied with the current regulations of advanced environmental countries. In preparation for future legal regulations and stricter social demands, we are working to reduce the amount of lead used and to utilize recycled resin materials. The Automotive Products Business Unit is focusing on improving quality, and is ensuring product quality and process quality through project deliverable audits. The global quality management division is holding meetings attended by the quality assurance departments of each NIDEC Group company, and is working to understand and share quality information.	
			Respond to changes in the technological environment and the industrial structure	—	<ul style="list-style-type: none"> Continuously launch new products that lead the Five Big Waves to resolve social issues Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving 	We strive to develop products and technologies that contribute to reducing the environmental impact on society and our customers, and we continue to promote the spread of these products. We promote research and development that contributes to energy and resource conservation, CO ₂ emissions reduction, and improved recyclability through the development of more efficient motors and products that are smaller, lighter, thinner, and more compact.
			Protect and utilize intellectual properties	—	<ul style="list-style-type: none"> Transform our IP portfolio to one that responds to social and business changes, including decarbonization and power and manpower saving, and use the new IP portfolio 	Strengthened the construction and management of IP portfolios in line with product lifecycles, respect for the intellectual property rights of other companies, and market trend analysis. The proportion of the IP portfolio related to the SDGs, centered on the “Five Big Waves”, also remained at a high level of 56%. In 2024, the company was selected for the “Clarivate Top 100 Global Innovators 2024” for the second year in a row.

Category	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2023
 <p>Human Resources</p>	Retain and develop diverse talent	Maintain and foster globally competitive human resources	—	<ul style="list-style-type: none"> Promote the discovery and development of global leaders <ul style="list-style-type: none"> Strengthen the development of management personnel, including global human resources Establish and make functional a global talent management system <ul style="list-style-type: none"> Establish regional HR management Clarify positions subject to head office management Establish a global mobility policy 	In terms of executive development, the Human Resources Development Committee discusses succession plans from a medium- to long-term perspective, identifies candidates for the next generation of management personnel, and carries out strategic training. In addition, the Nomination Committee appoints the new president. In terms of career development support, we provide career support for young employees through career plan sheets and training. We also provide leadership training and educational videos for managers, and strengthen support for the career development of their subordinates.
			Promote diversity	<ul style="list-style-type: none"> Achieve the targets below related to women's empowerment (non-consolidated) <ul style="list-style-type: none"> Ratio of female directors*: 20% or higher All managerial positions held by women: 9% or higher Ratio of female candidates for managerial positions*: 15% or higher * Executive officer or higher position, including outside directors * Referring to female employees in positions immediately prior to managerial positions Recruit non-Japanese directors 	We promote organizational development that aims to revitalize relationships between employees and improve the performance of the organization as a whole. We have introduced organizational performance surveys and workplace workshops, and are working to foster an organizational culture that promotes decision-making based on a vision while respecting diverse opinions.
			Promote occupational safety and health, and health-oriented business management	<ul style="list-style-type: none"> Ensure a safe and comfortable work environment Reduce the number of serious accidents (those resulting in death or permanent disability) to zero Improve the Lost-time injury frequency rate Realizing health management as a unified NIDEC Group Receive certification as a White 500 Company (in the large enterprise category) under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program 	Health seminars are held by occupational physicians to improve employees' health literacy. Themes are set based on the results of annual health surveys. Employees with high health risks are given individual health guidance and encouraged to undergo detailed examinations, and efforts are made to improve and enhance the health of all employees.
			Respect human rights and follow proper labor practices	<p>Follow proper labor practices</p> <ul style="list-style-type: none"> Manage working hours of employees, including those in managerial positions, from the perspective of occupational safety Reduce average overtime hours by improving productivity <p>Respect human rights</p> <ul style="list-style-type: none"> Clarify human rights policies for workers including those in the supply chain, and spread them among employees 	We raise awareness of human rights in conjunction with International Human Rights Day and Human Rights Week, and implement e-learning and compliance training. We use SAQs at NIDEC Group sites to ensure that the NIDEC Group Human Rights Policies are well known and to promote individual corrective action. In order to prevent human rights risks in the supply chain, we are implementing SAQs with our suppliers and prioritizing risk assessment and response. We are also conducting micro-management of working hours, and making employees and their superiors aware of the need to adjust work when employees reach their working hours.
 <p>Supply Chain</p>	Build an internationally competitive supply chain to solve social issues	Sustainable procurement considering environmental and social aspects	—	<ul style="list-style-type: none"> Conduct human rights due diligence on major suppliers: Implementation rate for high-risk suppliers by 2025: 100% 	Examined internal operational rules with reference to industry trends regarding human rights due diligence. To address the issue of identifying human rights risks in the NIDEC Supplier CSR Self-Assessment (SAQ), we conducted a survey by adding questions about specific products and regions. We measured the probability of human rights violations occurring and the severity of the damage based on supplier information, and identified human rights risks and prioritized initiatives. We are planning to conduct individual interviews and surveys with suppliers that are considered to be at high risk by further refining the evaluation of SAQ items.

Category	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)	Progress in FY2023
 <p>Corporate Governance</p>	Create a solid governance system	Build a fair, transparent and highly effective governance system	Board of Directors	<ul style="list-style-type: none"> Continue to have the effectiveness of the Board of Directors evaluated by a third party Always maintain the ratio of outside directors in the Board of Directors at 50% or more, and the ratio of female directors at 20% or more 	In order to ensure the effectiveness of the Board of Directors' Meetings, a questionnaire is conducted every year for the members of the Board of Directors' Meeting, including outside members of the Board of Directors, and an evaluation of effectiveness and analysis of issues is carried out. An evaluation by a third party (external law firm) has also been introduced, and it was confirmed that the supervisory function was highly evaluated in FY2023. A Nomination Committee has been established for the appointment of directors and Vice Presidents, and the appointment of the President and review of executive remuneration are carried out.
			Nominating Committee / Remuneration Committee	<ul style="list-style-type: none"> Increase transparency and fairness in the retirement and dismissal process of directors Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors 	In order to ensure the effectiveness of the Board of Directors' Meetings, a questionnaire is conducted every year for the members of the Board of Directors' Meeting, including outside members of the Board of Directors, and an evaluation of effectiveness and analysis of issues is carried out. An evaluation by a third party (external law firm) has also been introduced, and it was confirmed that the supervisory function was highly evaluated in FY2023. A Nomination Committee has been established for the appointment of directors and Vice Presidents, and the appointment of the President and review of executive remuneration are carried out.
			Management and enforcement of internal control	<ul style="list-style-type: none"> Based on the assumption of 4 trillion yen for sales volume, enhance audit resources in both quality and quantity 	We are working to improve and streamline internal audit operations in order to establish a global internal audit system. And we are strengthening our voluntary audit system and monitoring all consolidated companies by utilizing DX.
			Follow thorough compliance with laws and regulations	<ul style="list-style-type: none"> Expand the legal affairs and compliance system to all Group companies starting from Nidec Corporation and the regional management companies (China, the U.S. and Europe) Identify serious non-compliance risks and take priority measures Provide compliance education to all employees of NIDEC Corporation once a year 	The hazard map project is ongoing. High-risk companies are visualized based on information on remoteness and corruption risk, and measures to mitigate risk are implemented. Human rights due diligence is also carried out to confirm that there is no forced labor or child labor within the NIDEC Group.
			Build a risk management system	<ul style="list-style-type: none"> All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified Reduce the impact of the risks to be addressed in priority on our business 	Manage the progress of reducing such impact and the residual risks
			Promote information security measures	<ul style="list-style-type: none"> Reduce the number of serious information security incidents to zero 	In addition to taking measures against external threats such as conventional cyber attacks, we are also promoting measures against "threats that lie within the company". We are focusing on education and raising awareness to prevent information leaks due to employee carelessness or rule violations, and have introduced a system to deter and detect malicious acts by internal parties.

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

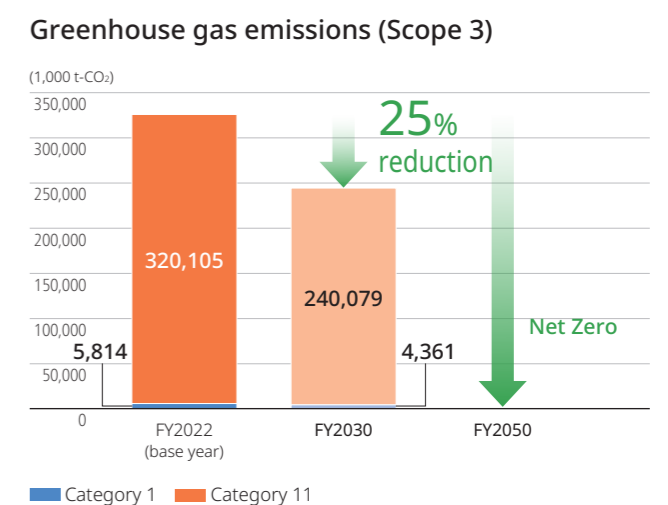
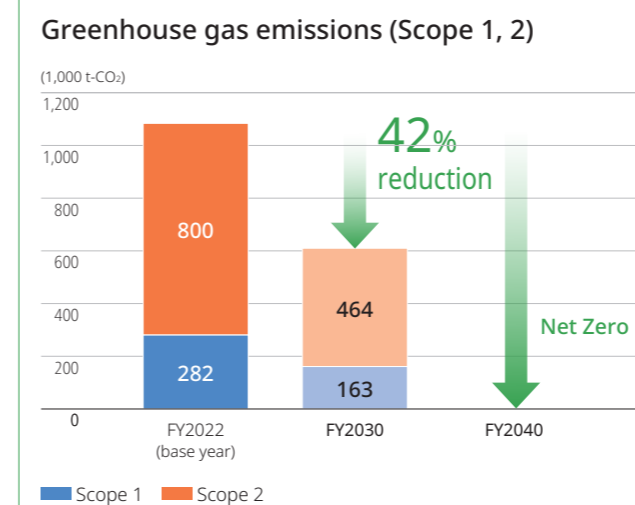
Although we expect energy consumption to increase in proportion to business growth in the future, we will contribute to the realization of a decarbonized society by setting medium- to long-term targets to achieve net zero in Scope 1 and 2 by FY2040 and aiming for net zero in Scope 3 by FY2050, and promoting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

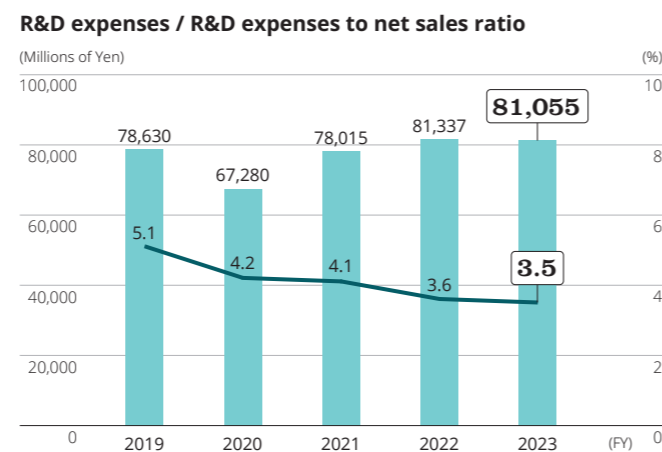
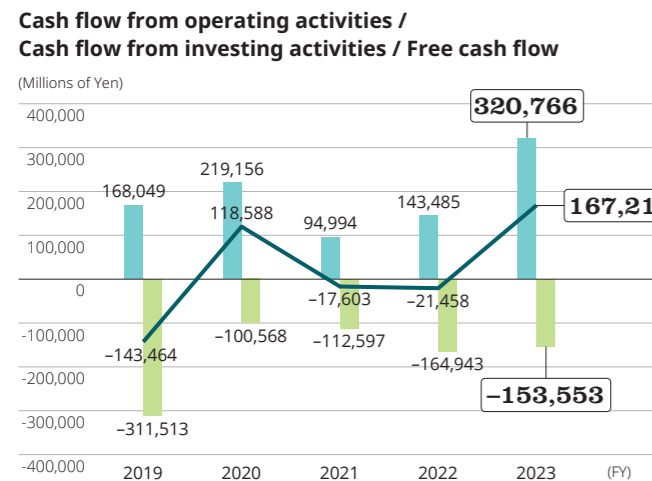
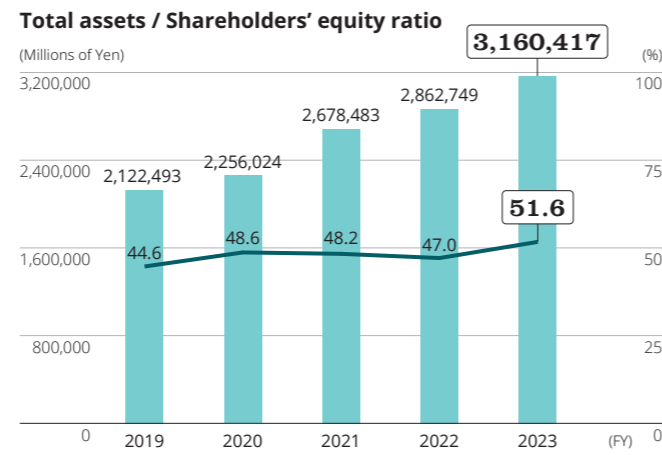
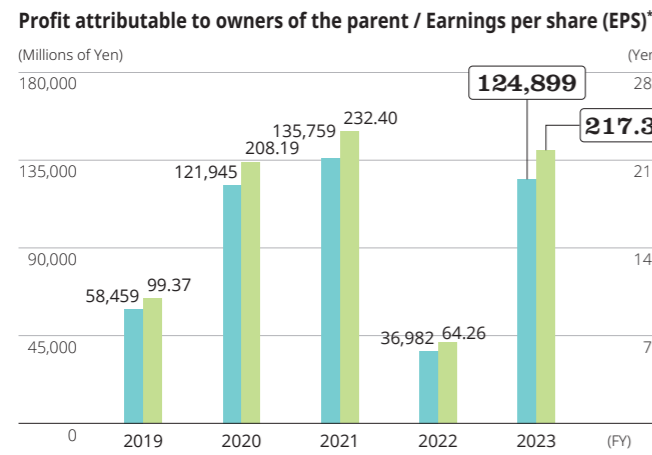
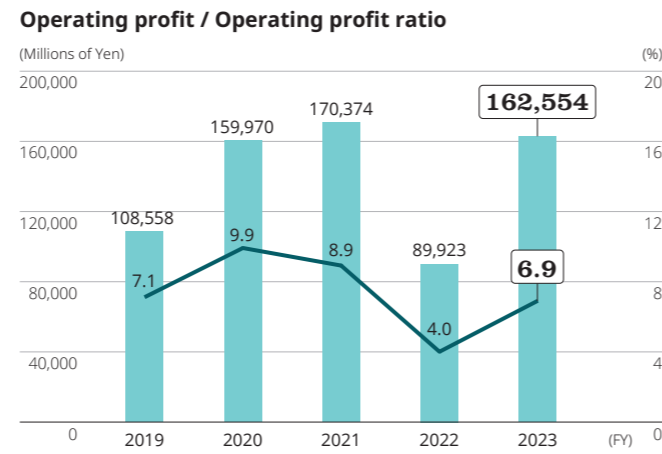
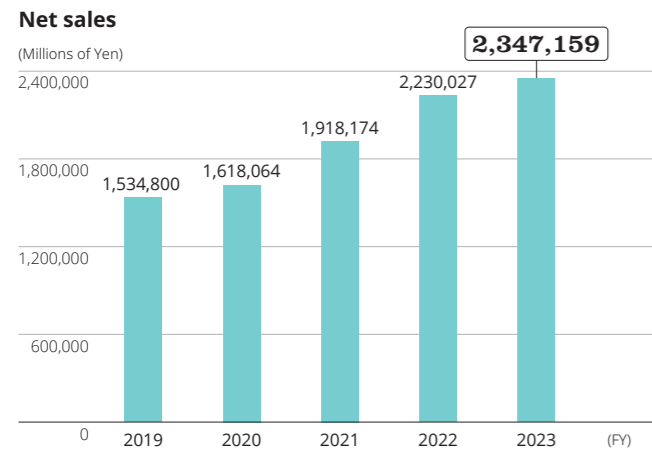
In February 2021, the Company established the Remuneration Committee, in August 2022, the Sustainability Committee, and in November 2022, the Nomination Committee. Each committee is composed of three or more directors selected by resolution of the Board of Directors' Meeting, with a majority of the

members being independent outside members of the Board of Directors.

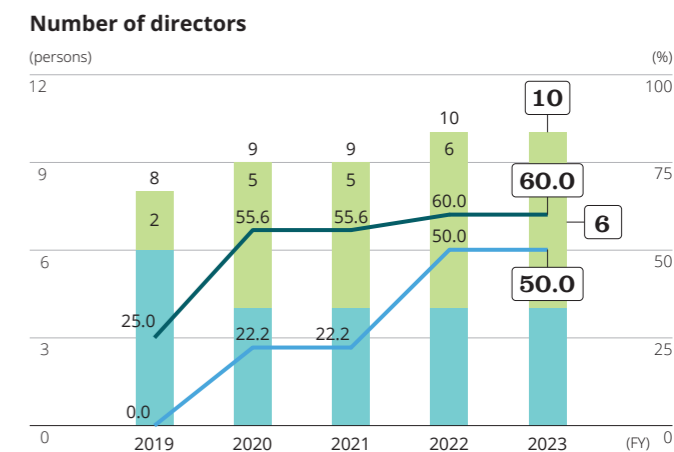
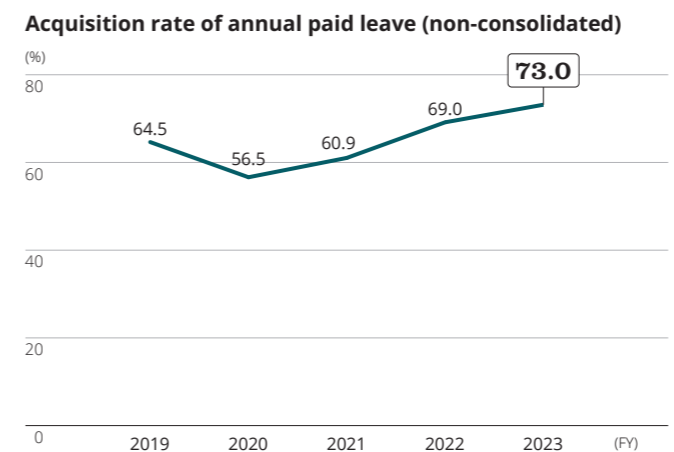
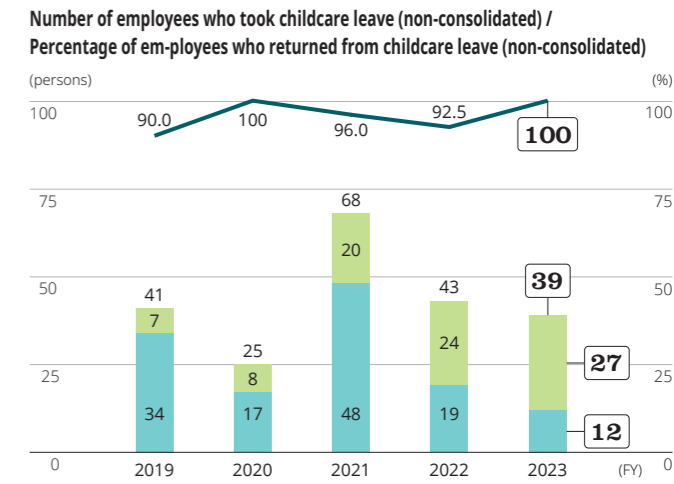
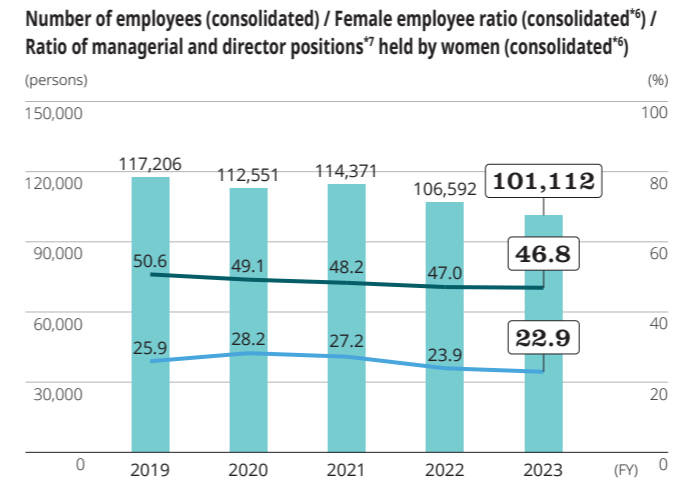
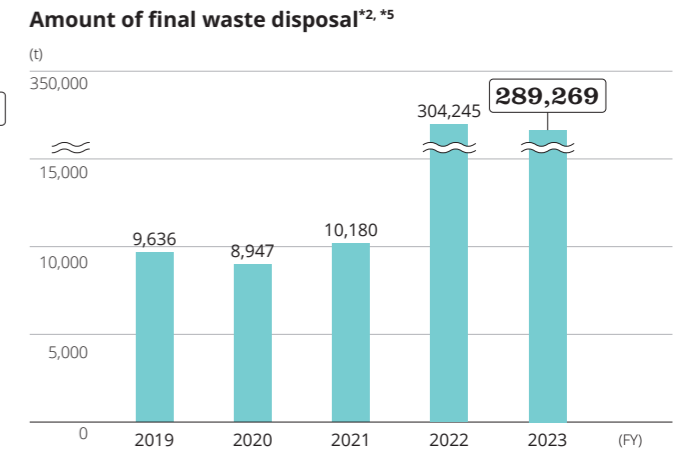
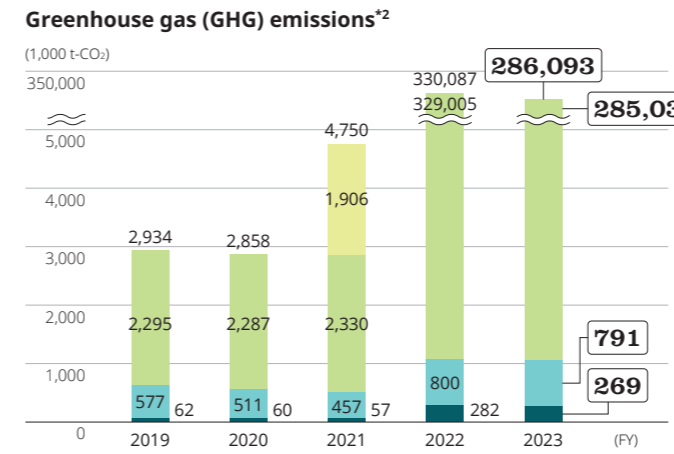
The aim is to further enhance the Company's corporate governance system by ensuring fairness, transparency and objectivity through the appropriate involvement and advice of independent outside members of the Board of Directors.

Performance Highlights

Financial Information



Non-financial Information



*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2020. "EPS" and "Dividends" are expressed assuming that the stock split occurred at the beginning of FY2017.
 *2 Data coverage rate relative to sales: FY2019: 59.2%, FY2020: 58.7%, FY2021: 53.5%, FY2022: 100%, FY2023: 100%.
 *3 For calculation of the FY2022 data, IEA country-specific emission factors have started to be used. To calculate the data of FY2021 and before, the Ministry of the Environment's Calculation Method and Emission Factors Chart in the Accounting, Reporting, and Disclosure System was referred to.
 *4 The GHG emissions in FY2021 doubled compared to those in FY2020 due to the expansion of businesses subject to data acquisition in Category 1 (marked by ■). The GHG emissions significantly increased in FY2022 compared to FY2021 as calculations for categories 8, 11, 12, and 15 started.

*5 For FY2021 and before, calculation was performed based on solid waste only.
 *6 Calculation of consolidated data began from FY2019. In FY2023, 87.7% of employees of consolidated Group companies were surveyed.
 *7 Managerial positions of section chief level or higher, and officers. Outside directors are included. Section chief level: Employees who fit the description (1) or (2) below, or those in equivalent positions.
 (1) Position responsible for directing and implementing activities to achieve the daily operational goals of the organization, and for communicating the instructions of managerial staff to the relevant subordinates (2) The head of an organization with two or more subsections, or 10 or more members

Evolving ROIC management to improve cash flow generation

— Achieving medium- to long-term corporate value improvement through appropriate capital allocation —



Akinobu Samura

Senior Vice President Chief Financial Officer (CFO)

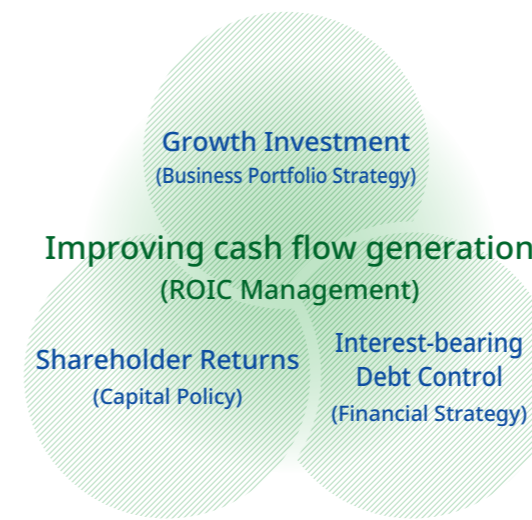
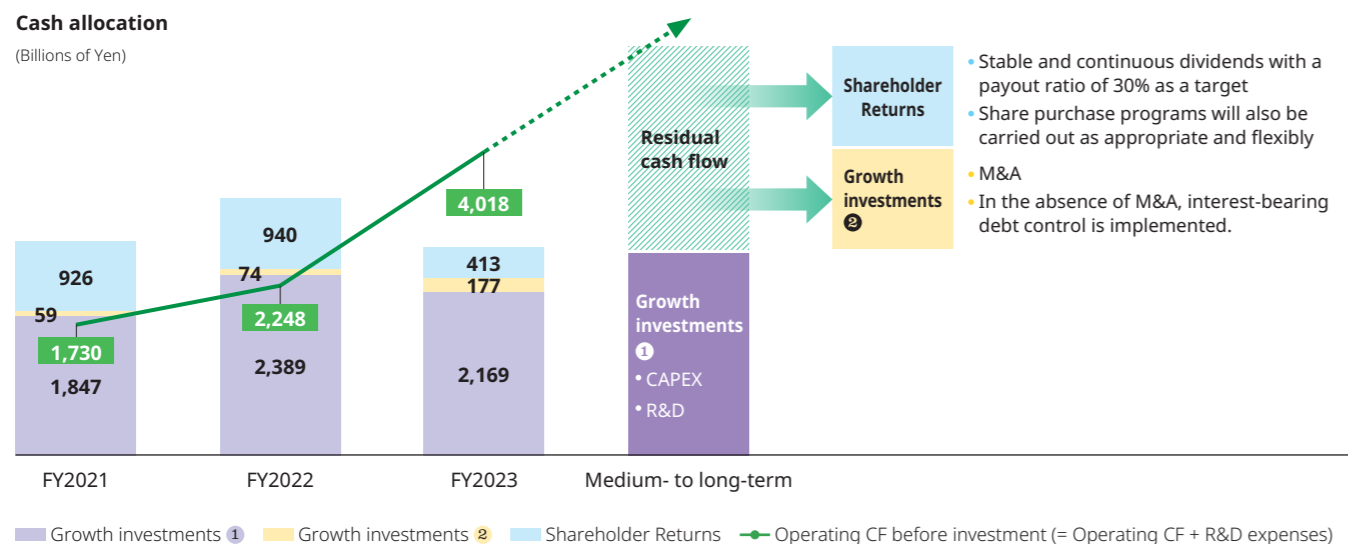
Achieve further growth by improving cash flow generation

We have been boldly making growth investments, including M&A, and have improved our corporate value by achieving high growth and profitability centered on HDD motors. Amid major changes in the global market, new growth opportunities are expanding in various fields, including Water-cooling modules for AI data center servers and emergency generators, for which demand is rapidly expanding, as well as battery energy storage systems to promote the effective use of renewable energy and motors for eVTOL (electric vertical take-off and landing aircraft). In order to ensure that we take advantage of these opportunities and achieve further growth and increased corporate value, we are working to evolve our ROIC management and improve our ability to generate cash flow as our top priority.

Cash allocation for improving corporate value

Since FY2021, we have been using ROIC (Return on Invested Capital) as one of our management indicators, and have been promoting improvement activities from both the perspectives of profitability and capital efficiency, with the goal of achieving an ROIC of 15% or more. Despite a period of decline in working capital efficiency due to the coronavirus pandemic, we were able to generate free cash flow of 167.2 billion yen (operating CF before investment*: 401.8 billion yen) in FY2023, a significant improvement on our previous record, as a result of our efforts to improve profitability and operating cash flow through working capital control, and to increase the efficiency of our investment activities. The cash generated in this way is allocated to “growth investment”, “shareholder returns” and “interest-bearing debt control” in a balance that contributes to the improvement of corporate value in the medium- to long-term.

* Operating CF before investment = Operating CF + R&D expenses



Growth Investment (Business Portfolio Strategy)

Regarding growth investment, in order to achieve our target of 10 trillion yen in sales by FY2030, we are actively pursuing M&A that will have a synergistic effect with our existing businesses, as well as expanding production capacity for organic growth, CAPEX to improve productivity, and strengthening R&D. In making investment decisions, we will clarify business fields with relatively high profitability and fields with potential for future growth, and introduce a new system to support our business portfolio strategy so that we can optimally allocate the funds generated by our businesses. This is a system that enables the unified visualization of business and financial profiles (profitability, financial situation, etc.) for each business unit, such as “characteristics of the market entered” and “status of the company in the market entered”, and enables relative evaluation. Through this, we will optimize the allocation of funds based on the business portfolio strategy and achieve profitable growth in the medium- to long-term.

In addition, M&A is a powerful tool for optimizing business portfolios, and it has played an important role in our growth strategy to date. In the future, we will adopt new methods and pursue all possibilities.

Shareholder Returns (Capital Policy)

We have positioned the share price and market capitalization as important management indicators, and have been working to engage in careful dialogue with the capital markets. Therefore, in terms of shareholder returns, in addition to increasing the share price through business expansion and improved profitability in growth areas, we will implement stable and continuous dividends with a target payout ratio of 30%, and we will also flexibly implement share purchase programs, taking into account factors such as the funds for medium- to long-term growth investments, the current cash position, the share price level, and the total amount of shareholder returns.

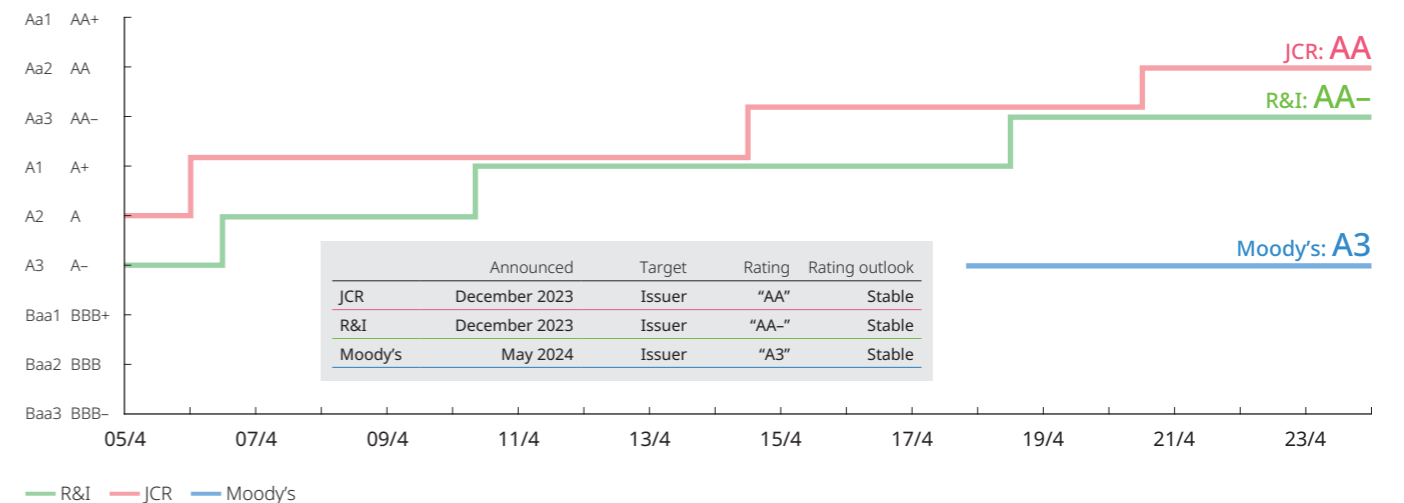
Interest-bearing debt control (Financial Strategy)

We believe that the basic principle of financial strategy is to balance securing growth investment funds with maintaining financial soundness. To this end, we have adopted the principle of “reinvesting cash generated by our own operations” to create a virtuous cycle, and our finance department, which acts as an internal bank, is at the center of the process, rigorously checking the profitability of investment projects and the adequacy of collection plans. At the same time, we are maintaining financial soundness by appropriately controlling the level of interest-bearing debt through the establishment of internal systems that promote the efficient use of funds, such as the setting of internal interest rates according to the creditworthiness of each business and the imposition of capital costs in the event that the invested capital budget is exceeded.

On the other hand, in order to carry out M&A, which plays a part in our growth strategy, in a flexible manner, we will secure a variety of funding methods and sufficient funding capacity, and we will build a strong financial structure that will enable us to maintain a certain credit rating* even if there is a need for funds for growth investment, including large-scale M&A.

* As of June 2024, the Company has obtained credit ratings from three domestic and overseas rating agencies, and is working to maintain and improve these ratings.

Rating history



Further Evolution in the Second Founding Period

— Unification of the Group through medium- to long-term growth and expansion of human capital —

Towards the expansion of human capital

In 2023, the year of our 50th anniversary, we changed our Japanese company name from “Nihon Densan Corporation” to “NIDEC Corporation”, and we will continue to evolve as we enter a second founding period. As we enter a new stage in the next 50 years, we aim to achieve further growth, with sales of 4 trillion yen in FY2025 and 10 trillion yen in FY2030. To achieve this, we will break away from the old federal management style (which emphasizes the autonomy of individual companies), and to establish integrated group management style (One NIDEC: management that grows while creating group synergies from the perspective of overall optimization), we are promoting personnel measures and infrastructure development. Up until now, the company and its business have been driven by the strong leadership of its founder, Shigenobu Nagamori, but in the next 50 years of growth, under the leadership of the new president, Mitsuya Kishida, we will realize our vision of being a “global company that continues to grow for over 100 years” while passing on “NIDEC-ism” and the “NIDEC Way” (guidelines and standards for the behavior of all employees) to the next generation.

In addition, we are also striving to create a business group that can compete globally in order to become “the world’s leading solution-providing business group that solves numerous problems for the people of the world”. In creating a business group, we are focusing on the multifaceted human capital perspective in both the soft and hard areas of human resources, so that the entire group can have a firm core in the midst of diversity and work together to achieve the same dream as “One NIDEC”. Furthermore, based on our corporate philosophy, corporate slogan and “NIDEC Way”, which are the foundation of our strengths, we have compiled our basic approach to company organization and human resources as the “NIDEC Global Personnel Policies”, and are putting these into practice as specific Human Resources Strategies and Measures. By removing the barriers between group companies and markets, and by pursuing a business group that can combine the technologies and human resources cultivated at each company under a solid corporate philosophy, we can maximize the effects of M&A (PMI), which is a feature of our business strategy.



NIDEC Global Personnel Policies and major personnel measures

The most basic policy of the NIDEC Global Personnel Policies is “For Our Future, For Our Dream—Our organizations and human resources will continue to take on challenges for the future of people around the world and our dreams.” Under this are a policy related to organizational and human resources development and a policy related to personnel systems. This is a way of unifying recognition and intent on a global scale by putting into words the basic policies and beliefs that will form the basis of the various strategies and measures that will be developed in the future. This policy also includes the idea of achieving a system and organizational management that allows the more than 100,000 employees of the NIDEC Group to work under a fair system and to move freely between businesses and companies according to their business and career needs.

With regard to the establishment of a global human resources system and organization, the Global HR Strategy Committee, which was established in April 2024, is engaged in discussions between President Kishida, the heads of each business division, the heads of HR at major overseas offices, and the domestic HR department. We will continue to promote the planning of a wide range of human resources measures with the aim of developing and revitalizing the organization so that employees around the world, especially the younger generation, can connect with each other. At the same time, we have also launched the “All for Dreams Committee” to pursue the NIDEC Group’s purpose. We will consider bottom-up measures to help each and every employee pursue the “meaning of working for the NIDEC Group” while inheriting the management philosophy and corporate culture of the founder.



The Nidec Group’s approach to human capital management

Human capital management is a way of management that views human resources as capital and maximizes their value to improve corporate value over the medium to long term. At the Nidec Group, the founder’s spirit is placed at the core of its human capital management, from which the “NIDEC Global Personnel Policies” and other personnel guidelines and measures are developed. By building a foundation where all employees of the group can work together to overcome any barriers, we believe that we can achieve our vision of “a global company that continues to grow for over 100 years” and “the world’s leading solution-providing business group that solves

numerous problems for the people of the world” as set out in our corporate philosophy. We believe these guidelines and measures will lead to contributing to the company’s business performance and other achievements from organizational or personnel aspects. To achieve consolidated net sales of 10 trillion yen in FY2030 and become a global company that continues to grow for the next 100 years and beyond, we will steadily advance the development and implementation of guidelines and measures based on the above approach to human capital management.

Building independent and self-reliant organizations and developing human resources

— Independence and self-reliance from founder management: Building organizations and developing human resources that can think for themselves and create their own futures —

In our group management system, which is focused on the next 50 years, new leaders selected from within the NIDEC Group will take on management, and we are also building a succession plan and the mechanisms (organizational development and human resource development mechanisms) to ensure that sustainable management can be maintained no matter who becomes the leader.

As we move from the previous top-down management style that made the most of the strong leadership of our

founder, Shigenobu Nagamori, to a new group management system centered on the new president, Mitsuya Kishida, we need to make more changes than ever before to become an independent and self-reliant organization and workforce in order to realize our corporate philosophy and achieve our goal of becoming a “global company that continues to grow for over 100 years”. To achieve this, we are focusing on the following three areas, with the “NIDEC Global Personnel Policies” at the center.

- ① **Executive development: Strengthening the group management system**
- ② **Career development support and philosophy dissemination: Encouraging challenges and envisioning the future on one’s own**
- ③ **Organizational development: Interpreting the role of one’s own organization and aiming to maximize results**

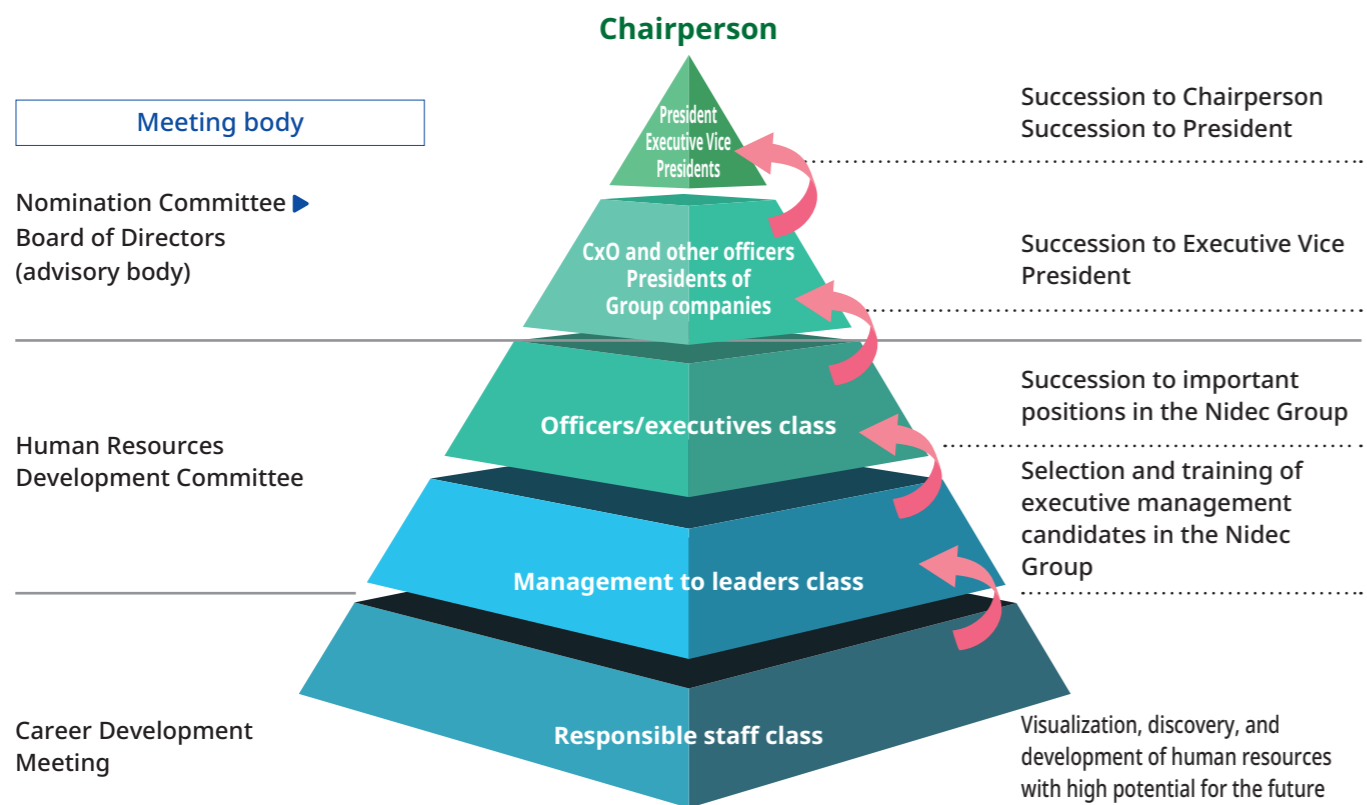
① Executive development: Strengthening the group management system

As we move towards a group management structure, a stable pipeline of talent for key positions is essential. To this end, we are visualizing key positions throughout the group, and while management executives are discussing the validity of succession plans, we are also identifying candidates who could become the next generation of management talent, and promoting strategic early development initiatives. In addition to tough assignments such as corporate restructuring and selecting and promoting

talented individuals, we are also strengthening the development of potential management personnel through a training school established by the company’s founder with the aim of spreading the company’s philosophy and management mindset, and the Global Business School, which is designed to help students acquire a high level of management knowledge as the leaders of global companies, while combining knowledge acquisition with practical experience. In addition, we have begun implementing executive development measures tailored to the characteristics of each region.

Concept of talent pooling

Talent pools (from management rank to responsible staff rank)



* We have also established a system to prevent decision-making power from being concentrated in the hands of specific individuals by setting up a committee to discuss issues such as succession planning.

OJT		Off-JT	
Criteria for selection of the relevant post and selection, etc. * Nomination Committee deliberation and Board of Directors' Meeting resolution			
Tough Assignment		Individualized programs (e.g. executive coaching)	
Group company management	M&A and PMI experience	Spread of Nagamori's and the Nagamori management method	Global Business School
New Business Launch	Consolidation and elimination of businesses		Next-Generation Global Business School
Project Manager	Overseas Sites Management		KUAS MBA
Rotation	Overseas experience		Selective education
			Cross-style match



Nagamori Management School, a training program for business leaders run by Nagamori

② Career development support and philosophy dissemination: Encouraging challenges and envisioning the future on one’s own

As stated in our basic policy, “For Our Future, For Our Dream—Our organizations and human resources will continue to take on challenges for the future of people around the world and our dreams”, in our group management system, each and every employee is required to proactively demonstrate their value. For this reason, we are focusing on supporting career development and spreading our philosophy as a way of creating an environment in which employees can work together to achieve the same dream.

In terms of career development support, we provide support for drawing up a future plan by taking stock of and reviewing one’s career through “career training for supervisors

and junior staff” and “utilizing career plan sheets”. In addition, we promote initiatives to realize career plans through career-related dialogue in 1-on-1 meetings and other daily activities. At times, we also support the realization of new career plans for employees through regular internal job postings.

In order to align the vectors of our employees and create an organization in which each employee can play a maximum role, we distribute and utilize “The Challenging Road”, which summarizes the thoughts of the company’s founder (NIDEC’s philosophy and way of thinking, etc.). We are creating an organization with aligned vectors by creating an environment where “The Challenging Road” is a natural part of everyday work, and by providing opportunities to reflect on the level of understanding and implementation of the philosophy through regular training and other activities.

③ Organizational development: Interpreting the role of one’s own organization and aiming to maximize results

While continuing to uphold NIDEC’s spirit, corporate culture, and 3Q6S, we are also working to implement the message from President, Kishida, “Open & Transparent (openly communicate what you can do, and don’t hide your weaknesses)”, we are not only focusing on individual employees, such as through executive development and career development support, but we are also working on organizational development to make the organization itself more autonomous and to reform it.

In organizational development, we conduct an “Organizational Performance Survey” with the aim of maximizing organizational results, and we consolidate and provide feedback on the results of employees’ self-diagnosis of the organization from a multifaceted perspective, including the degree of penetration of the vision, workplace relationships, and the strength of achievement orientation. Furthermore, based on the results of the Organizational Performance Survey, we hold Workplace Workshops at each workplace where employees can honestly discuss what their

workplace should be like, and through considering and implementing action plans that they can work on themselves to improve their organization and workplace, we are working to create organizational value.

We believe that communication between people is the most important factor in creating value and improving added value for an organization. In addition, we are working to foster a sense of unity within the organization through two-way communication between management and employees, while quickly establishing opportunities for interaction (dialogue) between President, Kishida and employees. Also, in terms of various domestic measures in the area of human resources, from fiscal 2021 we have been holding what we call HR Town Hall Meetings, where the person in charge of human resources at our company visits our domestic offices to work on things like ensuring that our human resources policies are understood and collecting opinions from employees.

Indicators for the penetration of the philosophy	FY2022	FY2023	FY2025 Target
Penetration of the vision	80.9%	76.4%	85.0%

*1 Penetration of the vision: Percentage of employees who responded “agree” or “somewhat agree” to the question “Is the company’s management philosophy and vision shared at your workplace?” in the annual “Organizational Performance Survey”.

*2 The decrease in the figure for FY2023 is mainly due to the fact that the personnel of the management level were temporarily unstable and unclear.



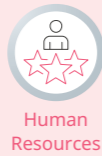
Exchange meeting for the President, Kishida, and employees

Materiality Initiatives

Maintain and foster globally competitive human resources

Materiality

- **Promote the discovery and development of global leaders**
 - Strengthen the development of management personnel, including global human resources
- **Establish and make functional a global talent management system**
 - Establish regional HR management
 - Clarify positions subject to head office management
 - Establish a global mobility policy



Human Resources

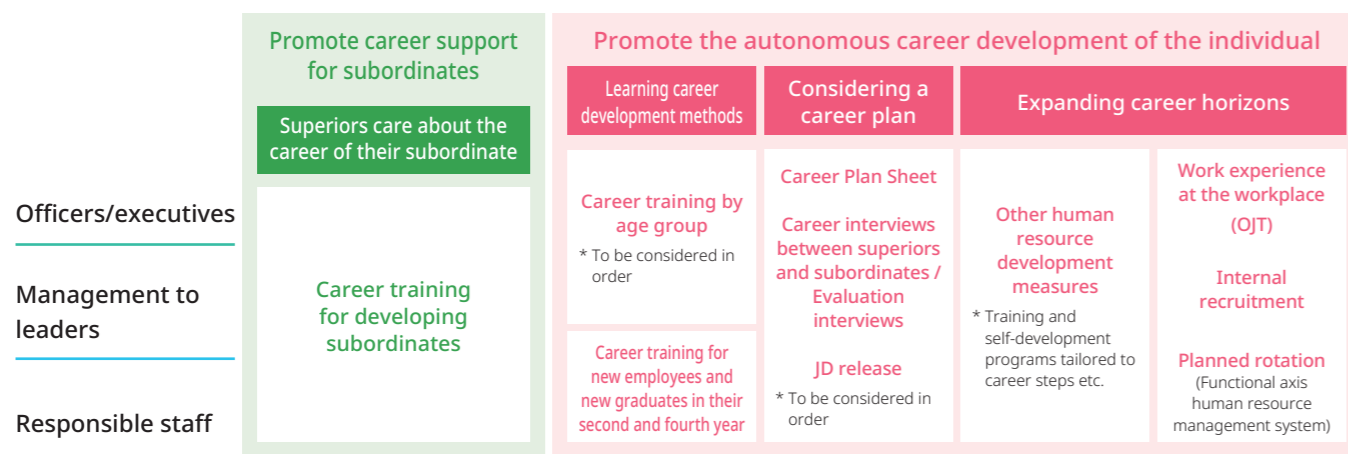
Background to the identification of materialit

The NIDEC Group aims to achieve consolidated sales of 10 trillion yen by FY2030, and in order to realize its vision of becoming “a global company that continues to grow for over 100 years” and “the world’s leading solution-providing business group that solves numerous problems for the people of the world,” it believes that it is essential to secure and develop human resources with high international competitiveness, that is, human resources that can play an active role globally. If we do not respond to these materiality issues, not only will we not be able to achieve the above-mentioned goals as a company that is developing its business globally, but there is also a risk that our corporate activities will come to a standstill if we suddenly need to find a successor for an important post.

Initiatives in FY2023

In terms of executive development, as an initiative with a medium- to long-term perspective rather than a short - term one, the Human Resources Development Committee, which was established in FY2020, discusses the appropriateness of succession plans (successor development plans) with management executives, while also identifying candidates for the next generation of

Career Support Framework at NIDEC



management personnel and implementing strategic early development initiatives. As part of this initiative, we have been accelerating the development of management candidates since FY2022. In addition to assigning them high-level tasks such as corporate restructuring and selecting and promoting them, we also hold a training school (once a month) run by the company's founder to instill our corporate philosophy and management mindset. Furthermore, through the activities of the Nomination Committee, which was established in November 2022, we have appointed a new president for our company. The Nomination Committee carefully deliberates on the appointment of the new president, ensuring that the criteria for the appointment are met and that the candidate is suitable for the position.

In terms of career development support, in addition to the career interviews and career training for young employees that we have been conducting through the use of career plan sheets, we are also implementing the measures shown in the diagram below.

We are implementing training for managers to identify their strengths and weaknesses as leaders, and we are using individual feedback reports in on-the-job training. In addition to rolling out educational videos on daily conversations between superiors and subordinates (1 on 1) to Group companies in Japan, we are also implementing new training with an eye to supporting the career development of subordinates, and we are working to strengthen the development of subordinates and management capabilities in our own organizations.

Toward the future

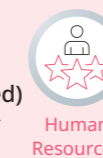
We will expand the scope of candidates for next-generation management personnel to include foreign nationals, and promote the early and systematic implementation of training measures. The “Global Business School” (opened in 2016) and the “Next Generation Global Business School” (opened in 2017), where candidates for management positions in the NIDEC Group from around the world gather to acquire a high level of management knowledge as leaders of a global company, were suspended due

to the impact of the coronavirus in recent years, but will be gradually reopened and efforts will be made to strengthen training by combining knowledge acquisition and practical application. In terms of developing the next generation of leaders and professional human resources, we will expand our lineup of human resource development measures, such as customized training that allows people to learn the content they want to learn, in order to promote autonomous growth, and we will also strengthen our support for career development. In terms of talent management and human resource allocation, we will establish the “Global Mobility Policy” and put in place a smooth transfer scheme in order to promote the right person in the right place globally.

Promote diversity

Materiality

- **Achieve the targets below related to women’s empowerment (non-consolidated)**
 - Ratio of female directors*: 20% or higher
 - All managerial positions held by women: 9% or higher
 - Ratio of female candidates for managerial positions*: 15% or higher
- **Recruit non-Japanese directors**



Human Resources

* Executive officer or higher position, including outside directors
 * Referring to female employees in positions immediately prior to managerial positions

Background to the identification of materialit

NIDEC Group recognizes diversity as a source of competitive advantage. As we develop our business globally, we believe that we can respond effectively to the rapidly changing business environment and customer needs by respecting and accepting the differences that individuals have, and by making the most of those differences. If we do not respond to these materiality issues, even talented and motivated individuals may not be able to make the most of their abilities and values, and this could hinder creative business activities. In addition, the risk of prejudice, discrimination and harassment occurring will increase, and we can expect to see an increase in employee turnover as a result. For this reason, we are working to create a workplace environment and develop and promote human resources that will allow each organization and employee to fully demonstrate their potential. In addition, we are working to refine the “NIDEC-ness” (philosophy) that we have cherished since our founding to suit the times, and share it with all employees, while also promoting initiatives to foster unity of purpose even amid diversity.

Initiatives in FY2023

We believe that creating a workplace environment where the potential of each individual employee and the organization as a whole can be fully realized is important

in order to achieve the goal of empowering women, which we have set as a materiality KPI. To this end, we are promoting organizational development that aims to improve performance by activating relationships between employees and connecting each workplace to the organization as a whole. We have introduced an “Organizational Performance Survey” to visualize the current situation in each workplace, and a “workplace workshop” where members of each workplace can have an honest dialogue based on the survey results, and we are working to foster an organizational culture and build an organization that can make decisions based on a vision while respecting diverse opinions.

Results of the Organizational Performance Survey (excerpts from items related to career awareness)

	FY2022	FY2023	FY2025 Target
Career consciousness	50.2%	50.4%	55%

* Career consciousness: Percentage of employees who responded “agree” or “somewhat agree” to the question “Do you have a career direction in mind?” in the annual “Organizational Performance Survey”.

Toward the future

We have been promoting diversity in terms of attributes such as the recruitment of female and foreign nationals since around 2005. In addition to these, we have been strengthening activities focused on the diversity of individual employees’ values and career aspirations, and as of the end of FY2023, we have achieved all of our targets for each level, with a female officer ratio of 19.4% compared to the target of 10% or more, a female manager ratio of 8.1% compared to the target of 8% or more, and the ratio of female candidates for management positions was 15.2%, which is more than the target of 15% or more for each level (the target values here are for the single year of 2023).

We believe that we need to continue to improve on these indicators. We will set new targets and continue to support the development and promotion of employees within the company, while also focusing on diversity and inclusion initiatives that will maximize organizational performance by expanding the scope of diversity and making the most of the values and aspirations of each and every employee, regardless of their attributes.



Examples of female executives who are active in our company:
Naoko Toyoshima Head of Nidec Center for Production Technology R&D

Promote occupational safety and health, and health-oriented business management

Materiality

- Ensure a safe and comfortable work environment
- Reduce the number of serious accidents (those resulting in death or permanent disability) to zero
- Improve the Lost-time injury frequency rate
- Realizing health management as a unified NIDEC Group
- Receive certification as a White 500 Company (in the large enterprise category) under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program



Human Resources

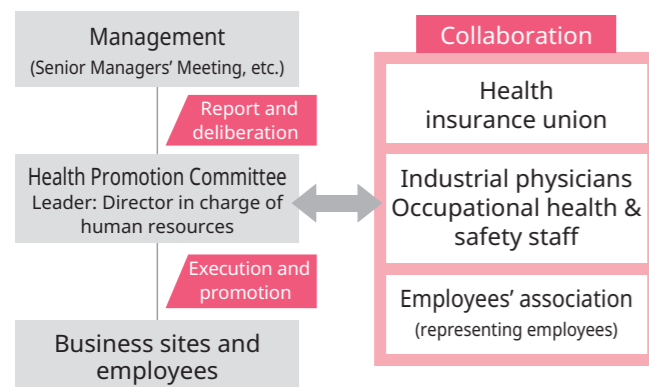
Background to the identification of materialit

The shrinking of the working population is a global social issue, and it is important for companies to support the health management of their employees in order to treat limited labor resources with care and maximize “human resource value”. Therefore, the NIDEC Group is working on health management with the themes of creating a safe and comfortable working environment where employees can fully demonstrate their abilities and promoting the safety and health of employees, with the cooperation of the company and employees, in order to prepare for the risks of reduced productivity, loss of human resources, and reduced brand value in the event that the above four items are not addressed. The Health Promotion Committee, which is made up of members from across the company, is taking the lead in strengthening the system for managing and promoting health, and we are also working to improve health literacy by holding health seminars with industrial physicians and conducting health awareness surveys for all employees. In addition, we are promoting health management, such as by achieving a complete smoking ban on the premises of our domestic offices.

Health

Aiming to create a work environment that promotes our employees’ mental and physical health and help them shine at Nidec to the greatest extent possible,

Health management promotion system



we have a Health Promotion Committee in place. Each business base has health promotion personnel to launch measures tailored to its workplace while working in collaboration with industrial physicians, i.e., health experts, and a health insurance union for the entire company to promote health-oriented business management. Furthermore, in order to establish a flexible health promotion system, preparations were made to establish an in-house health insurance association within the NIDEC Group, and this was officially established in April 2024.

Initiatives in FY2023

We held health seminars by industrial physicians to improve employee health literacy and the overall health of our employees. Each year, the theme of the seminar is decided based on the results of the Nidec Health Survey, an annual internal health survey. The seminar in FY2023 focused on the topics that were highly requested by employees and that were directly related to their health issues (e.g. stiff shoulders, back pain, sleep, smoking cessation, mental health). In addition, for employees with high health risks, we provide effective individual health guidance based on the results of health checkups and encourage them to undergo a thorough medical examination.

Toward the future

Currently, each Group company in Japan is implementing its own health management and promotion initiatives, but eventually we will build a foundation for promoting health-oriented management throughout the Nidec Group. We will implement medium- to long-term initiatives to strengthen our industrial health system, visualize the health status of the entire Group, and operate a cycle of improvement. We will continue our efforts to promote the physical and mental health of our employees and to create a work environment in which they can maximize their activities.

Safety

Based on past cases, the entire Group has taken on new measures aimed at eliminating workplace accidents.

Initiatives in FY2023

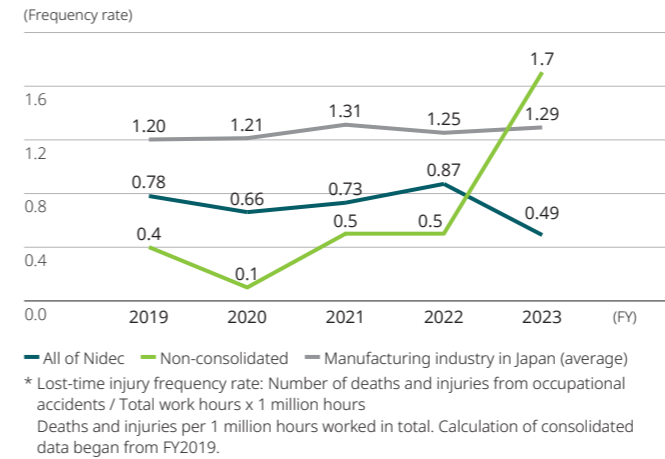
We achieved the planned targets for the materiality KPIs related to safety activity checks and remote safety checks.

Target	Results
A complete inspection of steps	2,370 cases improved
A complete inspection of areas where there is a risk of limbs being caught in the machine	8,651 cases improved

Toward the future

We will analyze the causes of the occupational accidents that have occurred, and implement group-wide inspections and countermeasures for the events that were the root causes, in an effort to eliminate similar accidents.

Lost-time injury frequency rate



Respect human rights and follow proper labor practices

Materiality

- [Follow proper labor practices]
 - Manage working hours of employees, including those in managerial positions, from the perspective of occupational safety
 - Reduce average overtime hours by improving productivity
- [Respect human rights]
 - Clarify human rights policies for workers including those in the supply chain, and spread them among employees



Human Resources

Background to the identification of materialit

If we do not address these material issues, there is an increased risk that our activities will have a negative impact, i.e. that stakeholders will be affected by human rights violations. In addition, we will be exposed to the following four major risks.

- 1 Reputational risk, such as consumer boycotts and damage to brand value
- 2 Operational risks such as strikes, the outflow of human resources, or the suspension of transactions with customers or suppliers
- 3 Legal risks such as being held liable for lawsuits or sanctions
- 4 Financial risks such as a decline in share price or divestment

In order to reduce and avoid these risks, we are promoting initiatives such as human rights impact assessments, the

cessation, prevention and mitigation of negative impacts, monitoring and information disclosure as part of our human rights due diligence process.

Initiatives in FY2023

In FY2023, we are focusing on the following aspects of the human rights due diligence process: stopping, preventing, and mitigating negative impacts; and monitoring. Every year, we promote human rights awareness in line with International Human Rights Day and Human Rights Week. As a continuous initiative from FY2022, we have been conducting e-learning on the theme of “Respect for Human Rights in the Workplace” and compliance training that includes content on harassment. In addition, we are using SAQ (self-assessment) to survey and evaluate the current situation at the approximately 300 NIDEC Group locations, and are also promoting specific corrective measures. For example, the SAQ revealed that some bases were not implementing the NIDEC Group Human Rights Policies formulated in 2021, so we re-communicated these policies globally. In addition, we are promoting individual corrective measures at each base, such as ensuring that the NIDEC Global Hotline, which is the internal reporting contact point, is well known, and clearly stating the prohibition of harassment in the employment regulations. In order to prevent human rights risks in the supply chain, we are asking suppliers, mainly in Asia, to complete a SAQ and are currently investigating and evaluating the current situation. Based on the information obtained from the SAQ on the upstream supply chain, we are evaluating the risks in each category on two axes: the severity of the negative impact on human rights and the likelihood of occurrence, and prioritizing responses.

With regard to managing working hours, we continued to consider how to optimize the number of managers in Japan, and we also carried out micro-management of employees’ working hours, and reported and liaised with the relevant parties as appropriate. We also made sure that employees who had reached a certain number of working hours in the middle of the month, and their superiors, were aware of the need to coordinate their work through sufficient communication.

Toward the future

We will strengthen our human rights due diligence to identify and minimize human rights risks at each NIDEC Group site and in our supply chain. Specifically, we will identify potential negative human rights impacts by conducting human rights impact assessments based on stakeholder feedback. In addition to implementing educational measures to verify understanding of human rights items centered on the Basic Policy on Human Rights at all global locations, and conducting regular SAQ surveys on human rights, we will also strive to take appropriate corrective and preventive measures, including through dialogue with locations and suppliers that are particularly high risk. We will also continue to ensure that working hours are appropriate and that occupational accidents are prevented. We will fulfill our social responsibilities as a company that employs over 100,000 people across the Group.



Realizing the NIDEC Group as a strong technical group

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

Michio Kaida

First Senior Vice President CTO (Chief Technology Officer)
 In charge of managing Nidec Product Technology R&D Center
 In charge of managing Nidec Center for Production Technology R&D
 In charge of managing Nidec System Manufacturing Engineering Center
 Keihanna Technology Center Administration Department, Intellectual Property Department

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.

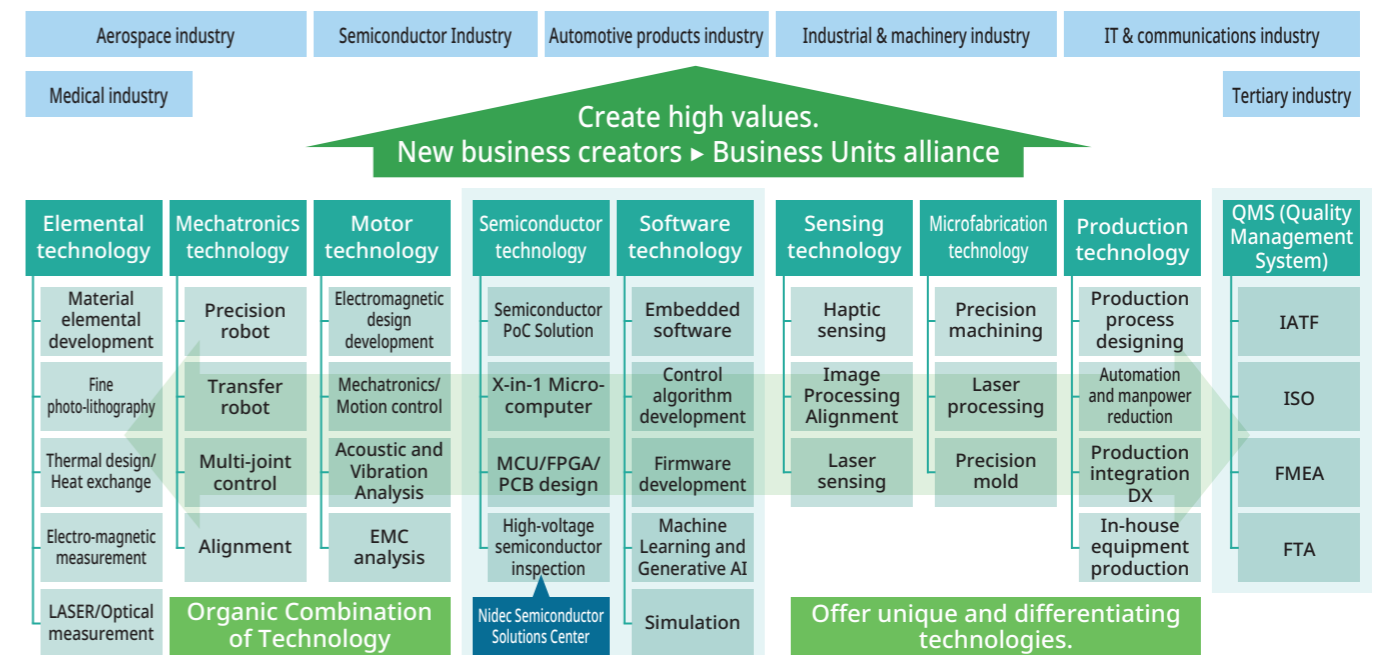
Creating next-generation technologies that generate profits

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



Materiality Initiatives

Pursue product safety and quality

Materiality

- Create a database for chemical substances contained in products to make it easier for the development department to determine the choice of materials, and shift to an environment-oriented development system
- Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025
- Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks



Products

Background to the identification of materiality

In our wide-ranging product lineup and supply, we are working to ensure quality and safety in all aspects of our operations, from product design and component selection to disposal and recycling, in response to customer requirements and relevant laws and regulations.

If we are unable to respond to the growing social demand for environmentally friendly product development, we may lose business opportunities due to our failure to comply with chemical substance laws and regulations in each country. In addition, as the automotive products business has grown to account for more than 20% of the NIDEC Group's consolidated sales, if we are unable to meet the quality needs of our customers in the automotive industry, there is a possibility that the NIDEC brand's credibility will decline due to product defects and recalls.

Initiatives in FY2023

The Small Platform Motor & Solutions Business Unit, which operates businesses in environmentally advanced countries such as EU countries and has many customers with a high awareness of environmental issues, has already complied with current regulations. However, it is expected that legal regulations and social demands will become even stricter in the future, so we are working to reduce the amount of lead used in materials that are difficult to replace and to curb CO₂ emissions by recycling resin materials in advance of the laws, regulations and demands of each country. Specifically, we are promoting the replacement of steel materials used in products for some customers with low-lead materials. We are making proposals, particularly to customers in the IT industry, and have received orders for low-lead materials for new products to be released in FY2023. In terms of promoting the use of recycled resin materials, we have proposed and shipped products that has increased the use of recycled

resin materials to 50% to some customers, and we are currently evaluating the characteristics of these products, including their reliability. Toward the future, we will continue to develop products that use recycled resin materials and promote these to our customers.

Meanwhile, in the Automotive Motor & Electronic Control Business Unit, where quality requirements are even stricter, we are working to ensure high product and process quality through the Quality Management audit of project deliverables conducted by the Quality Assurance Department in the development of new projects. We have introduced a system in which the Quality Assurance Department, which is an internal third party, carefully examines and evaluates the deliverables (project tasks) of all departments. This initiative is implemented in line with the project plan, and by obliging the reporting of results to top management, we are improving the quality of product development and strengthening activities to prevent product safety risks within the Automotive Products Division.

The global quality management division, which was established as a cross-sectional function to oversee quality across the entire company, holds regular meetings attended by the quality assurance departments of each NIDEC Group company, and works to understand the quality situation at each company and share best practices across the company. In the product development flow of the entire NIDEC Group, we are promoting the maintenance of standard documents that guide basic quality assurance practices, from understanding customer requests to product and manufacturing process design, and after-sales service after mass production, and ensuring that these are thoroughly implemented in each business entity.

Toward the future

With regard to reducing the environmental impact of substances in the Small Platform Motor & Solutions Business Unit, we recognize the importance of initiatives to address PFAS (Per and Polyfluoroalkyl substances: a general term for organic fluorine compounds containing two or more fluorine atoms), which has been attracting increasing attention in Japan and overseas in recent years. We will aim to become a leading environmental company by promoting activities to prevent the use of materials containing PFAS, as well as the unintentional use or contamination of products with these materials.

In addition, the Automotive Motor & Electronic Control Business Unit will continue to use the mechanisms it has introduced to reduce product safety risks, and will conduct 100% product assessments of new developments and manufacturing processes.

The Global Quality Management Division will oversee quality assurance for the entire NIDEC Group, without regard to business unit or company boundaries.

Respond to changes in the technological environment and the industrial structure

Materiality

- Continuously launch new products that lead the Five Big Waves to resolve social issues
- Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving



Products

* The Five Big Waves: Five business areas related to global social issues and their growth markets, which we place particular emphasis on in the medium-term strategic goal Vision2025.

Background to the identification of materiality

In order to realize a sustainable society, our company is working to promote the development of products and technologies that will help solve global social issues through our products and business activities. One of the risks of not taking this approach is the loss of business opportunities due to our inability to provide products that meet the needs of customers and markets.

Initiatives in FY2023

In order to continuously promote CO₂ emission reduction activities through product development and business activities, we are calculating the CO₂ emissions of our main products based on LCA (Life Cycle Assessment) and organizing them by product group. We are accumulating this information and using it in product design with consideration for reducing environmental impact, and are working to promote environmental value.

Toward the future

We will strive to develop products and technologies that contribute to reducing the environmental impact on society and our customers, and aim to promote the widespread use of these products. Specifically, we will promote research and development that contributes to energy and resource conservation, CO₂ emissions reduction, and improved recyclability through the development of more efficient motors and products that are smaller, lighter, thinner, and more compact.

"SynRA™" high-efficiency motor that reduces electric power consumption

The high-efficiency synchronous reluctance motor "SynRA™"^{*1}, which was launched in 2022, does not use magnets and achieves the highest level of efficiency class IE5^{*2} in international high-efficiency standards. This motor combines the basic principles of a synchronous reluctance motor with those of a

cage-type induction motor, and achieves high efficiency by using a special reluctance design for the rotor. In the future, it is expected that there will be increasing demand for reducing the electric power consumption of motors due to factors such as high-efficiency regulations for industrial motors in various countries, the environment, and rising energy prices, and there are high expectations for the application of the "SynRA™" to various uses.

In May 2024, we concluded a Memorandum of Understanding (MOU) with the Metal Industries Research & Development Centre (MIRDC) of Taiwan on technical development, manufacturing, application, etc. of products related to high-efficiency motor systems. We will continue to expand the range of applications for industrial motors through cooperation with MIRDC, starting with pumps for water treatment facilities.

We believe that the widespread use of the high-efficiency "SynRA™" motor, which reduces electric power consumption, will make a significant contribution to reducing the burden on the global environment, and we will continue to promote further research and development in the future.

*1 SynRA (Synchronous Reluctance Motor with Aluminum Cage Rotor)
*2 IE5: IE is an efficiency level defined in the International Electrotechnical Commission's (IEC) energy efficiency guidelines for motors (IEC60034-30-2), with IE5 being the highest efficiency level.



High-efficiency Synchronous Reluctance Motor "SynRA™"



Signing of MOU for cooperation in the development, manufacturing, and application of high-efficiency motor system-related products

Protect and utilize intellectual properties

Materiality

Transform our IP portfolio to one that responds to social and business changes, including decarbonization and power and manpower saving, and use the new IP portfolio



Products

Background to the identification of materiality

Our company is working on product development, seeing the business opportunities arising from the “Five Big Waves” that include issues such as decarbonization, saving electric power, and reducing the need for manpower as opportunities. If the transformation of our IP portfolio is delayed, there is a concern that our competitiveness will decline and our contribution to society will be impeded, so it is important to protect the results of product development with intellectual property rights and to transform them in a timely manner.

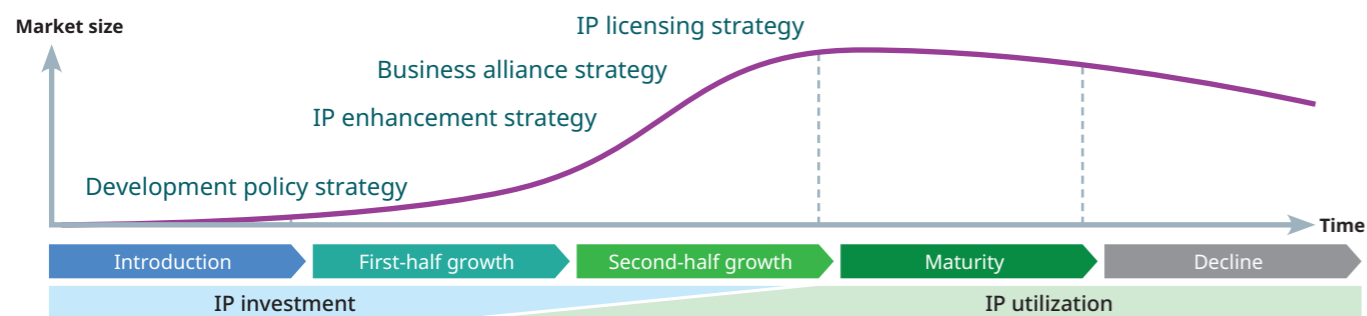
Initiatives in FY2023

In FY2023, we continued to build and manage IP portfolios that match each stage of the product lifecycle, and to utilize these rights. We also conducted thorough prior research into the intellectual property rights of other companies, and proceeded with our business activities while respecting these rights. In addition, we strengthened our activities to analyze market trends and other information using intellectual property information, and we implemented activities to build a stronger intellectual property portfolio based on this information.

As the volume of data handled in AI-based processing is expected to increase even further in the future, there is a problem with the heat generated by the semiconductor processors and other devices used to process this data, and there is a growing demand for water-cooling module products with high cooling capacity in data centers that use large numbers of these devices. By analyzing the technologies of various companies for each product issue, such as improving cooling performance and achieving high reliability, we have been able to quickly identify areas where we can make a greater contribution to society and move forward with patent applications. As a result of these activities, we have been able to strengthen our intellectual property portfolio related to technologies such as pumps, power supplies, and circuit boards, which are features of our products and contribute to system redundancy.

As a result of these activities, we were able to build and transform our SDG-related intellectual property portfolio,

Intellectual property activities in line with the product lifecycle



centered on the “Five Big Waves”, towards the realization of a sustainable society, and maintain a high ratio of 56%.

Keeping with last year, we were selected as one of the “Top 100 Global Innovators 2024” by Clarivate. This award selects the top 100 innovative companies and organizations in the world by analyzing intellectual property based on four evaluation criteria: success rate, geographical investment, influence, and scarcity.

Other awards

- Two inventions by the NIDEC Group received the “Kyoto Invention Association Chairman’s Award” and “Invention Encouragement Award” at the 2023 Kinki Local Commendation for Invention.
- Two inventions by the NIDEC Group received the “Excellence Award” and “Award” at the 67th Kyoto Prefecture Commendation for Invention.

Toward the future

We will continue to transform and utilize our intellectual property portfolio in response to business changes. We will also further invigorate our intellectual property analysis activities, which we have been strengthening up to now, and by conducting analysis activities that utilize intellectual property information from the early stages of the product lifecycle, we will accurately grasp the social trend information obtained from these activities and promote the development of new products that contribute to the realization of a sustainable society. Through such activities, we aim to “contribute to the business through the creation of intellectual added value”, and we will also strive to improve the value of intellectual property through the establishment of an organization of intellectual property professionals and the creation of an internationally competitive intellectual property portfolio.



Environment Strategy

Aiming to achieve net zero CO₂ emissions

— Promoting the incorporation of climate change measures into business strategies —

While the problem of climate change is becoming more serious, the global trend towards decarbonization is forcing countries and companies to change. Climate change measures are essential in order to contribute to the realization of a sustainable society and to achieve sustainable growth for companies. As a company that operates globally, the NIDEC Group has positioned “contributing to a sustainable global environment” as one of its key sustainability issues, and aims to achieve net zero CO₂ emissions from its business activities by FY2040 and net zero CO₂ emissions including its supply chain by FY2050. In order to achieve our goals, we are promoting the introduction of renewable energy, energy-saving activities, and the development and supply of products that contribute to decarbonization. We are also analyzing the business impact of climate change risks and opportunities, and are working to incorporate climate change measures into our management strategy. We will continue to work with our stakeholders to strengthen our efforts to address climate change.

Governance

Supervisory System

The NIDEC Group supervises the execution of sustainability-related operations and reports to the Board of Directors’ Meeting at the Sustainability Committee, which is held once a quarter. This committee is chaired by an outside member of the Board of Directors and consists of two internal directors and three outside members of the Board of Directors.

Business execution system

At the NIDEC Group’s Sustainability Promotion Meeting, the status of business execution related to material issues (materiality) including the environment is confirmed, and the sustainability activity policy and

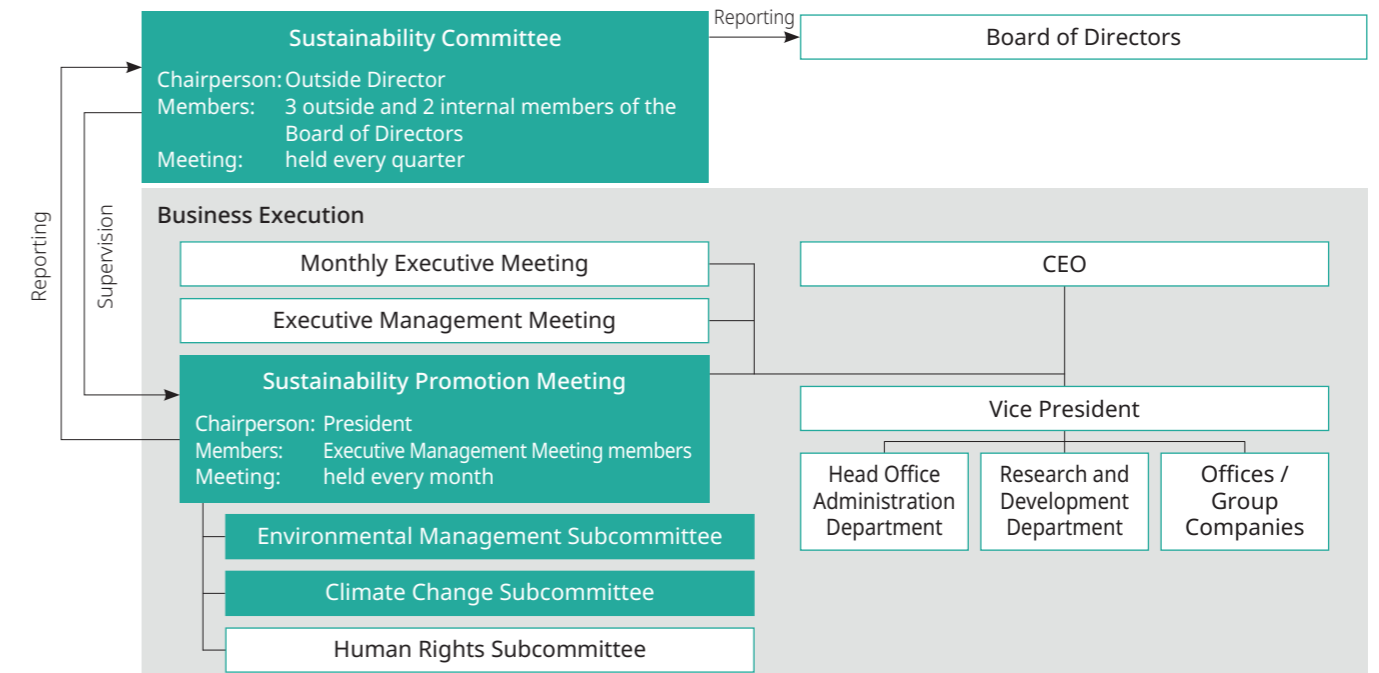
important matters are deliberated and resolved. This meeting is chaired by the president and consists of members of the Executive Management Meeting. In addition, the Environmental Management Subcommittee and the Climate Change Subcommittee have been established under the Sustainability Promotion Meeting to promote environmental initiatives across the NIDEC Group.

Incorporating ESG indicators into executive remuneration

The NIDEC Group is increasing the effectiveness of its initiatives on sustainability issues by incorporating ESG indicators into executive remuneration.

[More Info](#) ▶ [P.80 Corporate Governance](#)
(Reflecting ESG targets in performance-linked compensation for directors)

Sustainability promotion system



Sustainability Committee agenda in FY2023

Date of meeting	Agenda
1st: June 2023	<ul style="list-style-type: none"> Recommendation of committee members Report on the results of TCFD scenario analysis Policy for producing the 2023 integrated report Plan for holding an ESG briefing session in FY2023 Policy for social contribution activities and setting of priority fields
2nd: September 2023	<ul style="list-style-type: none"> Report on the promotion of information security measures Compliance with the CSRD (Corporate Sustainability Reporting Directive) Report on the publication of the Integrated Report 2023
3rd: December 2023	<ul style="list-style-type: none"> Executive development plan ESG briefing session plan for FY2023 CO₂ reduction target setting and certification acquisition in line with SBT
4th: March 2024	<ul style="list-style-type: none"> Report on initiatives related to product safety and quality Report on ESG briefing sessions Plan to reorganize the sustainability promotion system

Strategy

A total of 143 executives and managers from the business areas that account for more than 95% of our consolidated sales (Small precision motors, Automotive products, Appliance, Commercial & Industrial Products, Machinery) conducted scenario analysis according to the following procedure to identify climate change risks and opportunities

with a significant impact on our business, and to consider countermeasures.

[More Info](#) ▶ [P.53-54 Scenario Analysis Results](#)

The results of the scenario analysis were reported to the general managers of each business division, the Sustainability Promotion Meeting, and the Sustainability Committee.



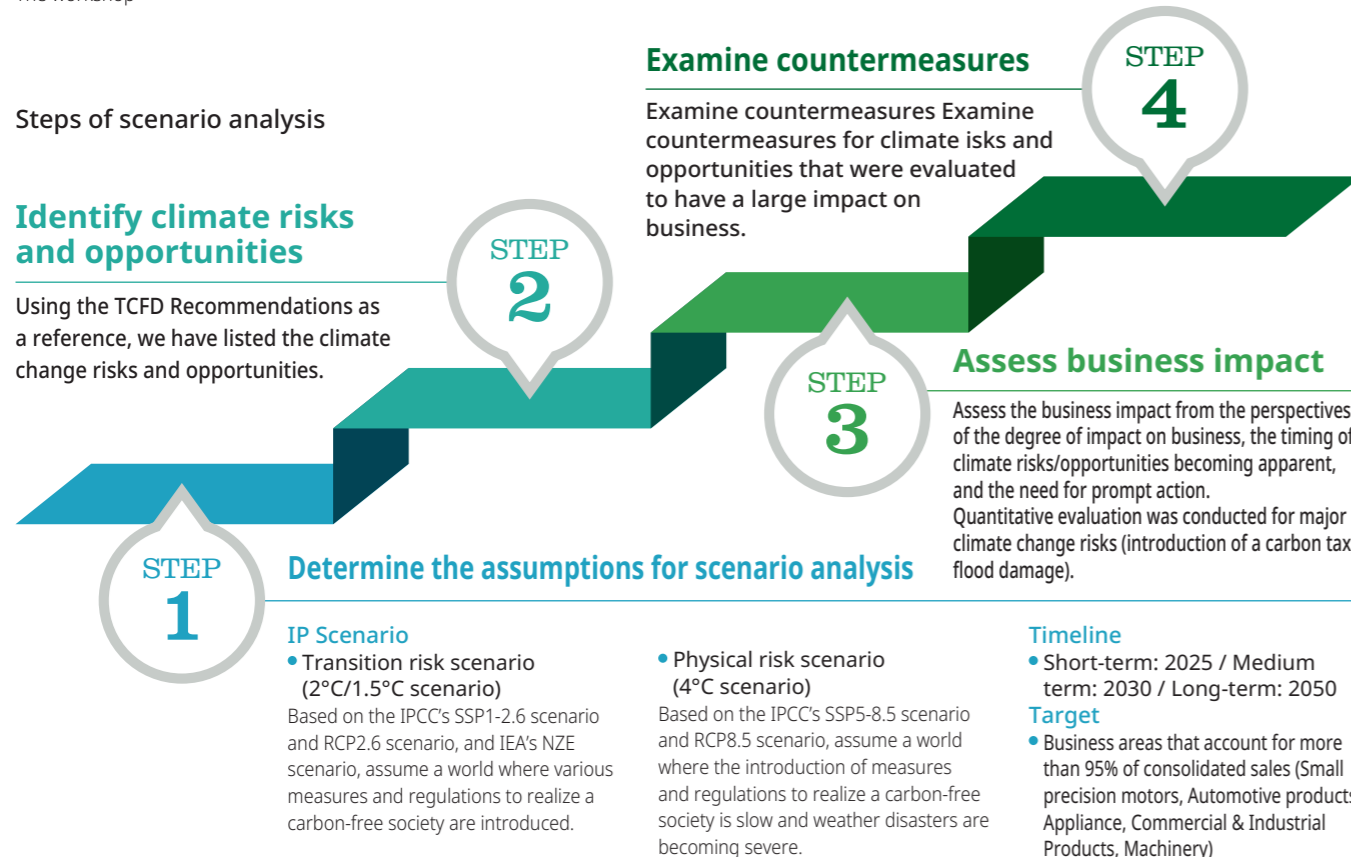
The workshop



Steps of scenario analysis

Identify climate risks and opportunities

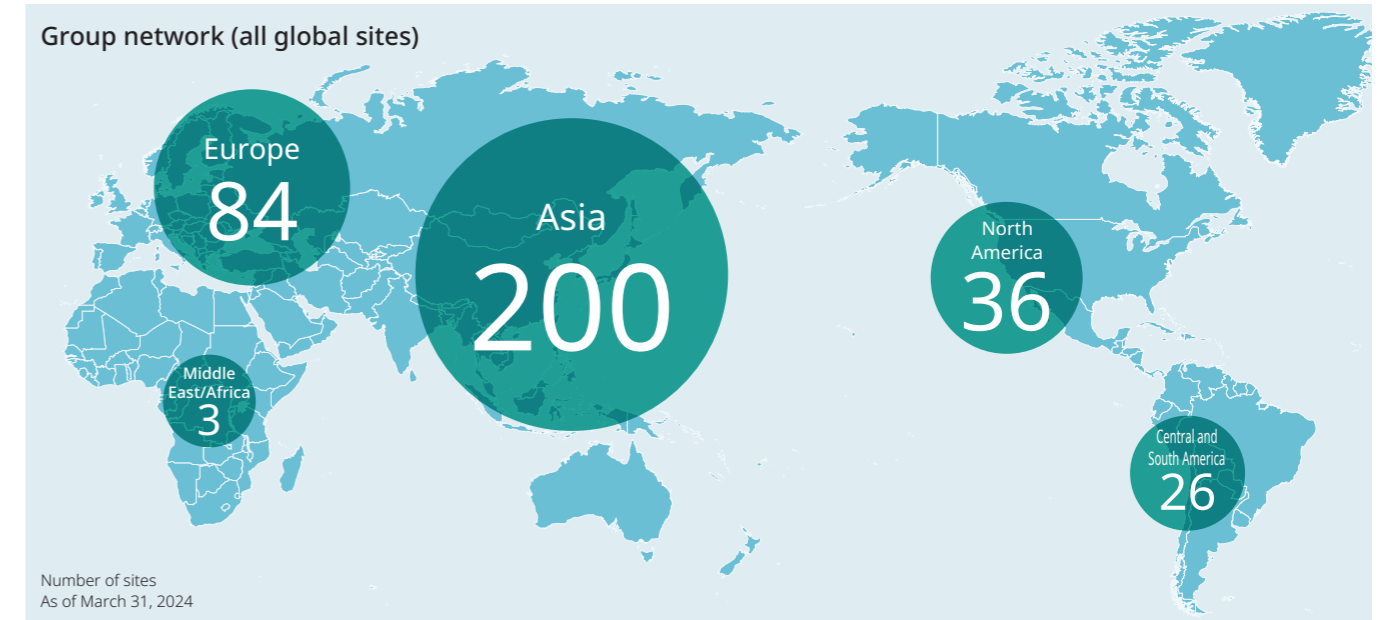
Using the TCFD Recommendations as a reference, we have listed the climate change risks and opportunities.



Specific examples of countermeasures

Geographical distribution of production plants

Nidec has a group network covering over 348 companies in more than 48 countries around the world and aims to reduce geopolitical risks and climate-related physical risks by geographically distributing its operation sites.



Reduction of size and weight, and resource saving by employing the “light, thin, short, and small” technology

Nidec manufactures socially and environmentally conscious products by making motors smaller and lighter and resource-saving. The first-generation model (Gen.1) of our EV traction motor system (E-Axle) achieved an overwhelming miniaturization of the motor by employing “light, thin, short, and small” technology and the oil cooling structure we had cultivated in the small precision motor business. The second generation (Gen.2) E-Axle, which began mass production in September 2022, achieved a

19% reduction in weight compared to Gen.1 thanks to the use of smaller magnetic circuits and inverters, based on the high-space-factor wire-winding technology, and also a substantial reduction in the amount of minerals used. In addition, the newly developed two-way oil-circulation system has improved the cooling capability, making it possible to use magnets that require significantly less amounts of dysprosium (Dy), terbium (Tb), and other kinds of heavy rare earth. Moving forward, we are planning to develop motors that do not use heavy rare earth or magnets.

Second-generation model has significantly reduced the use of minerals		19% lighter
Aluminum		-25%
Magnetic steel sheet		-21%
Copper		- 7%
Rare earth	Significantly reduced the use of rare earth, aiming to achieve complete non-use in the future	

Climate-related risks and opportunities with significant business impacts, and their countermeasures

* We have marked the climate change risks and opportunities that we have judged to have a significant impact on our business.

Impacts of climate-related risks and opportunities				Countermeasures		Small precision motors	Automotive products	Appliance, Commercial & Industrial Products		Machinery
						SPMS	AMEC	ACIM	MOEN	NMAB
Transition risks	Policies and legal regulations	Introduction of carbon taxes	● Increase in production costs and decline in price competitiveness due to carbon taxes	● Reduction of Scope 1 emissions through actions such as switching to LED lighting, introduction of energysaving equipment, replacement with low-carbon fuels, and optimization of manufacturing processes	○	○	○	○		
			● Increase in costs for introducing renewable energy * If measures are taken against carbon taxes	● Reduction of Scope 2 emissions by introduction of renewable energy						
			● Increase in procurement costs of crude oil and fossil fuel-derived electric power	● Introduction of renewable energy at low cost through long-term contracts such as corporate PPA		○				
		Tightening of regulations for fuel efficiency and ZEVs	● Increase in procurement costs due to carbon taxes imposed on raw materials	● Introduction of renewable energy					○	○
			● Impairment of manufacturing facilities for internal combustion engine-related products	● Switching to LED lighting and introducing energy-saving equipment						
			● Intensifying competition and price destruction due to an increase in newcomers	● Use of low-carbon materials (including recycled raw materials)					○	○
	Technologies	Introduction of regulations related to rare earths	● Intensifying competition for raw materials due to the expansion of the EV market	● Adoption of highly versatile design that allows conversion to other models						
			● Difficulty in procuring rare earth elements and increased procurement costs	● Conversion of manufacturing equipment to other products	○	○				
			● Risk of delay in new product development	● Development of products with high technological and price competitiveness						
	Market	Changes in customer behavior	● Loss of business opportunities if the environmental performance required by customers cannot be satisfied	● Gaining economies of scale due to the market share expansion						
			● Increased costs associated with switching to low-carbon raw materials and low-carbon processes	● Protect and utilize intellectual properties						
			● Growing demand from customers to promote the use of renewable energy, and the suspension of transactions due to the failure to achieve carbon neutrality as planned	● Development of products without heavy rare earth elements or magnets.	○				○	
Reputation		Changes in investor evaluations	● Difficulty in obtaining rare minerals, steel materials, and other non-ferrous metals, such as high-end aluminum and copper, rising procurement costs	● Building a supply chain with high supply capacity						
			● Increased costs of compliance due to stricter ESG evaluation criteria and expansion of fields requiring disclosure	● Pursuit of the "light, thin, short, and small" technology						
			● Difficulty in raising funds due to investors and financial institutions deeming information disclosure to be insufficient	● Promoting initiatives that involve suppliers	○					
Physical risks	Acute	Impact of floods, submergence, torrential rain or typhoons	● Disruption of supply chain	● Joint development with customers						
			● Increase in insurance fees	● Reduction of size and weight, and resource saving by employing the "light, thin, short, and small" technology	○	○				
Opportunities	Products/services	Expansion of the market for products that contribute to decarbonization	● Deterioration of water quality due to changes in precipitation and temperature patterns	● Geographical distribution of production plants						
			● Increased demand for automotive products (E-Axle, EPS motors, brake motors, electric oil pump motors, etc.) due to the expansion of the electric vehicle market	● Introduction of multi-sourcing for procurement						
			● Increased demand for energy-saving products (brushless DC motors, refrigerator compressors, water-cooling modules for data centers, HDD motors, high-efficiency motors for industrial use, machine tools with high energy-saving performance, environmentally friendly reduction gears, etc.)	● Implementation of BCP (business continuity plan)	○	○	○	○	○	
		Market	Expansion of EV market	● Increased demand for renewable energy-related products (BESS, smart microgrid solutions, wind power and hydroelectric power generation-related products, small-scale generators, machine tools for manufacturing wind power and gas turbine cases, etc.)	● Optimization of manufacturing processes to reduce water usage					
				● Increased demand for products (can making press machines) that contribute to solving the plastic problem	● Improving water reuse and recycling rates		○			
				● Increased demand for related products (such as air conditioner motors and air conditioner fans) due to the expansion of the market for air conditioning-related products						
	Resilience	Strengthening the supply chain	● Increase in demand for machine tools and press machines that can adapt to temperature changes	● Achieving disaster-resistant manufacturing through BCP						
			● Increased demand for related products (E-Axle, electric power steering motors, brake motors, electric oil pump motors, in-wheel motors for e-Bike drive, etc.) due to the expansion of the electric car and e-Bike markets	● Building a highly resilient supply chain					○	
			● Expansion of motor demand accompanying the progress of electrification							

Value Creation Medium- to long-term Strategy

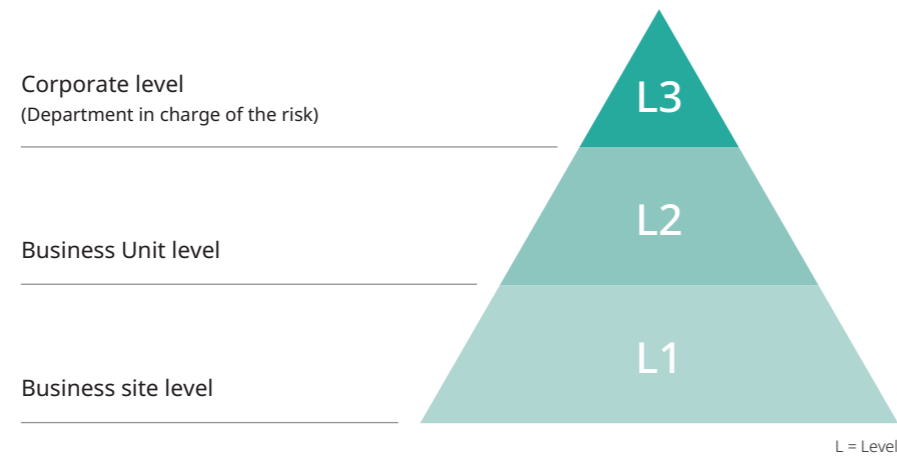
Quantitative evaluation of business impact

Risk	Financial impact	Calculation method
Introduction of a carbon tax	12.4 billion yen	The carbon price is based on the IEA's "World Energy Outlook 2022" forecast of 140 USD/t-CO ₂ for developed countries in FY2030. CO ₂ emissions (Scope 1 and 2) are calculated based on our 2030 target of 610,000 t-CO ₂ .
Flood damage	42.2 billion yen	Using the "Aqueduct" water risk analysis tool provided by the World Resources Institute, we assessed the impact of a disaster affecting all 38 locations assessed as having a high risk of flooding. We calculated the impact of damage to fixed assets and inventory, as well as the opportunity loss due to the suspension of operations, using the "Guide to Assessing Physical Risks in the TCFD Recommendations" published by the Ministry of Land, Infrastructure, Transport and Tourism.

From now on, we will work to improve the quality of our business impact assessments, and promote initiatives to effectively reduce climate change risks.

Risk management

We established a framework in which risk surveys are conducted for each of the levels illustrated below and the survey results are shared and mutually used.



With risk managers in place at each of our global locations, we are working to detect and respond appropriately to factors that could hinder business continuity. We are focusing on comprehensively understanding and mitigating climate change risks through measures that focus on compliance with increasingly strict climate change-related laws and

regulations, adapting to changing market trends, and strengthening communication with customers, investors, and other stakeholders, while also conducting BCP simulation training at our bases in Japan and overseas, assuming the occurrence of risks such as floods and droughts.

Indicators and targets

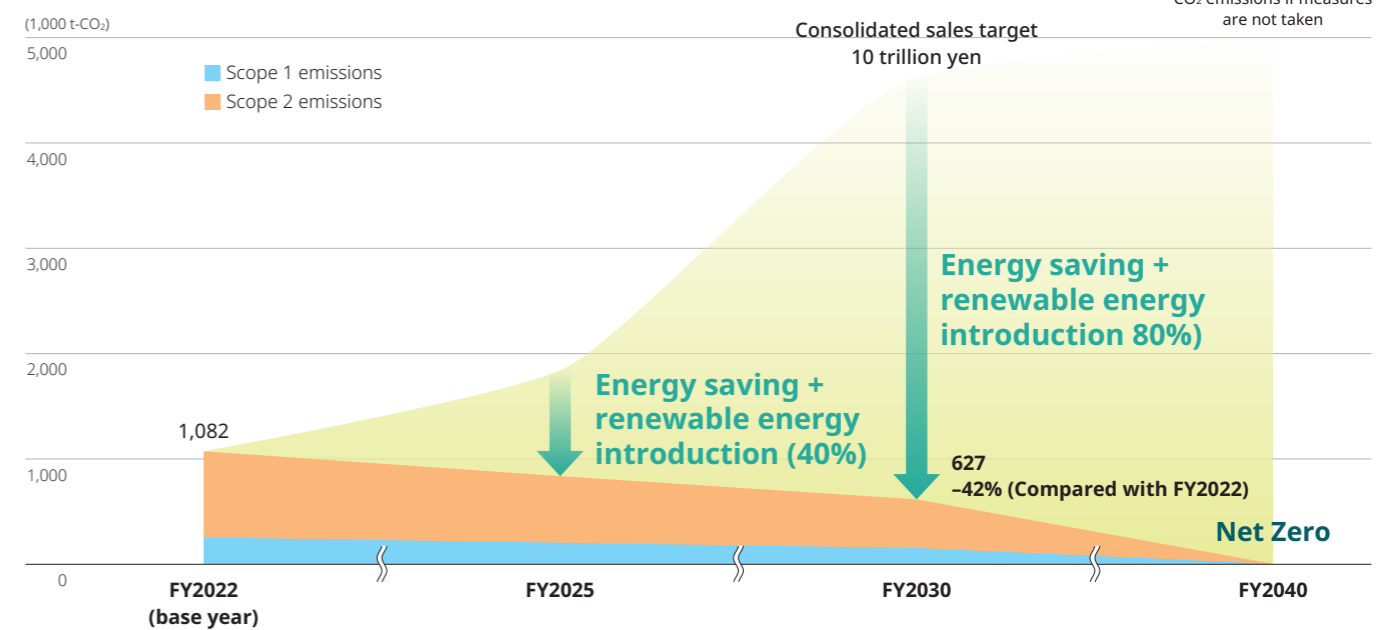
As one of the major axes of The medium-term strategic goal Vision 2025 and ESG materiality measures, the NIDEC Group aims to achieve net zero CO₂ emissions by fiscal 2040. In fiscal 2023, we underwent third-party

verification of our CO₂ emissions and formulated CO₂ reduction targets for fiscal 2030 in line with the guidelines This target was recognized as a scientifically-based target for achieving the "1.5°C target" in the Paris Agreement, and we have obtained SBT certification.

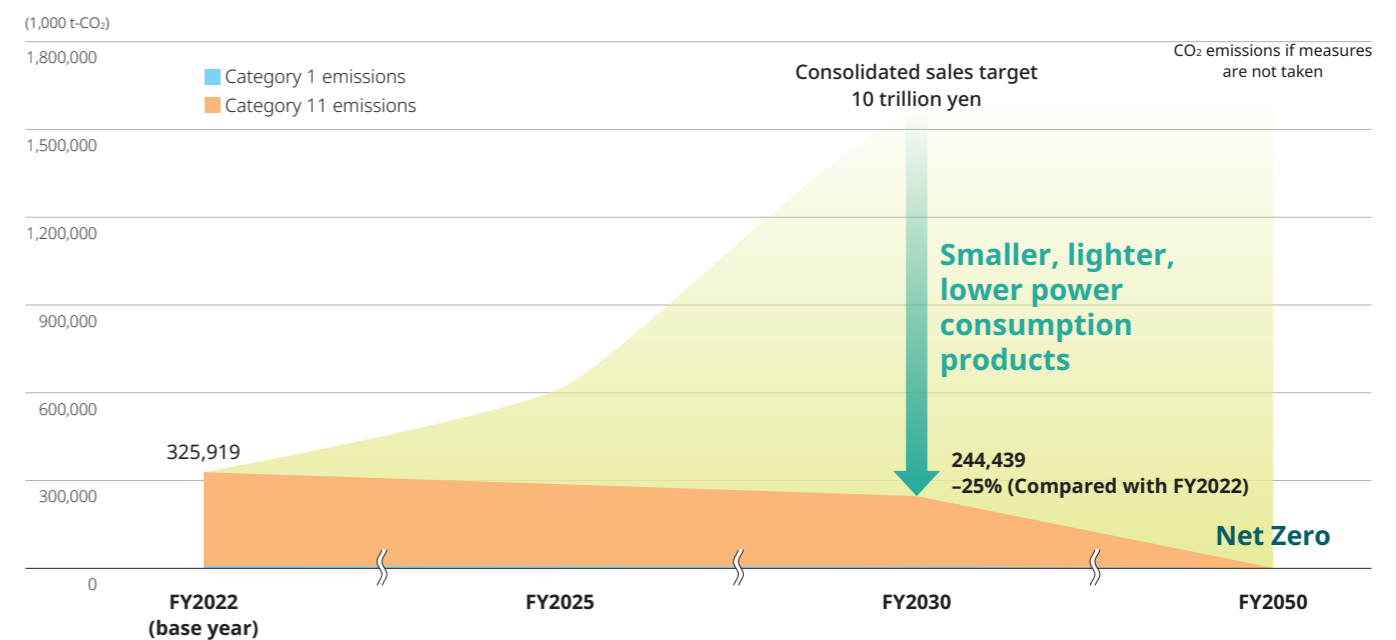
• Reduce Scope 1 and Scope 2 emissions by **42%** compared to FY2022 by FY2030

• Reduce Scope 3 emissions by **25%** compared to FY2022 by FY2030

Scope 1 and 2 emissions reduction targets



Scope 3 emissions reduction target



In addition, we have identified "contributing to a sustainable global environment" as one of our materiality issues, and have set the following targets.

Materiality

- By FY2025, increase the introduction ratio of renewable energy to 40% on a consolidated basis
- Reduce CO₂ emissions by introducing the EV traction motor system (E-Axle/BSG): Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂
- Reduce CO₂ emissions by introducing electric power steering (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂
- Reduce CO₂ emissions by introducing electronic brake booster (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 10,029,000 t-CO₂
- Reduce CO₂ emissions by introducing motors for compact EVs: 35,000 t-CO₂ per year
- Reduce CO₂ emissions by introducing motors for e-bikes: 32,000 t-CO₂ per year
- In 2025, reduce the volume of waste generated in intensity per unit sales by at least 3% from the level of FY2022
- Fully complete water risk assessments at all production sites



Environment

Value Creation Medium- to long-term Strategy

Materiality Initiatives

Contribute to decarbonization through products

Materiality

[Contributing through Automotive Products]

- Reduce CO₂ emissions by introducing the EV traction motor system (E-Axle/BSG): Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂
- Reduce CO₂ emissions by introducing electric power steering (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂
- Reduce CO₂ emissions by introducing electronic brake booster (EPS-PP/EPS) motors: Cumulative total from FY2020 to FY2025: 10,029,000 t-CO₂

[Contributing through the small precision motors]

- Reduce CO₂ emissions by introducing motors for compact EVs: 35,000 t-CO₂ per year
- Reduce CO₂ emissions by introducing motors for e-bikes: 32,000 t-CO₂ per year



Background to the identification of materiality

We recognize that the following risks may occur if we fail to meet the materiality KPI for “contributing to decarbonization through products”.

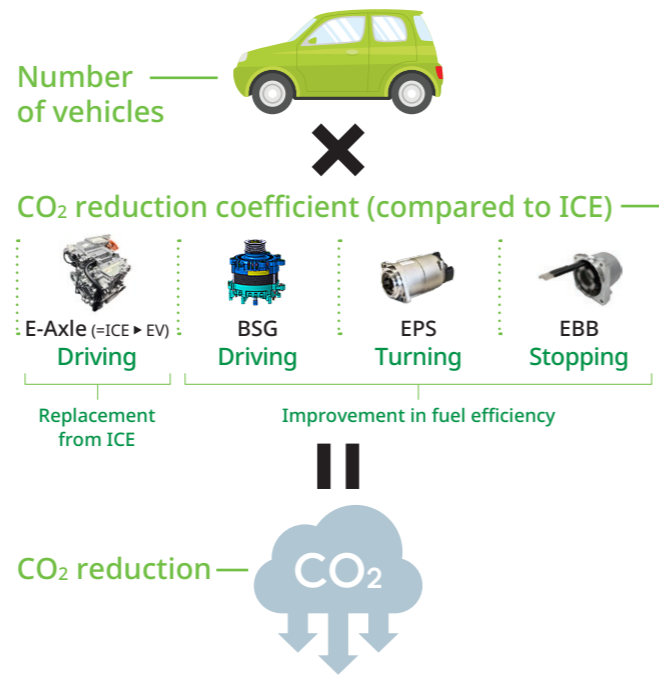
First, there is a possibility that our social credibility will decline. If we do not conduct business with consideration for the environment and society, we may lose the trust of our customers and investors, and there is a risk that our corporate brand value and image will decline.

Next, there is a possibility that our competitiveness will decline. If we are unable to provide high-performance products that reduce environmental impact, our competitiveness will decline relative to other companies, and there is a risk that our position in the market will decline compared to companies that are working towards the realization of a sustainable society.

Automotive product

It is said that more than 10% of the world's CO₂ emissions come from automobiles. We are contributing to the reduction of CO₂ emissions by replacing automobile-related parts with high-efficiency, energy-saving motors. We are focusing on the three main elements of automobiles: “driving”, “turning” and “stopping”. For “driving”, we supply the “E-Axle” drive motor system for electric vehicles, for “turning” we supply motors for electric power steering, and for “stopping” we supply motors for electric brakes. We have set KPIs for reducing CO₂ emissions for each of these, and are working towards the realization of a decarbonized society.

CO₂ reduction calculation formula



* ICE: An energy generator that uses fuel to produce mechanical power. Internal combustion engine.

Initiatives in FY2023

The second-generation E-Axle, which began mass production in 2019, was expected to be launched in September 2022 and increase sales, but due to the global slowdown in EV growth and excessive competition in China, the production of unprofitable models was reduced from the second half of FY2023, and the strategy was changed from increasing sales volume to focusing on profitability. Due to the decrease in the number of units shipped, the amount of CO₂ emissions reduced by E-Axle in FY2023 decreased compared to FY2022.

As a major initiative in FY2023, we have started development of the third-generation E-Axle model. We are preparing to expand sales volume from FY2024 and contribute to reducing CO₂ emissions with this product, which has technological advantages such as lower cost and higher profitability compared to the second-generation model, as well as various functional integration (7-in-1) and high-speed rotation (12% increase in torque density).

Toward the future

We aim to increase sales of highly profitable and competitive models by developing and reliably launching the third-generation model of E-Axle and continuing cost reduction activities for existing models. We will also continue to develop next-generation technologies such as steer-by-wire, which controls the angle of the tires by connecting the steering wheel

and tires with an electric signal, and expand sales of products with technological superiority.

In addition, our electronic brake booster (EBB) and electro-mechanical brake (EMB) motors, which boast a high market share in the “stopping” field, are expected to contribute to reducing engine load and CO₂ emissions by replacing conventional brake systems with our products in a field where market expansion is expected in the future. In order to make up for the reduction in CO₂ emissions due to the decrease in the number of E-Axle shipments in FY2023, we will add the reduction achieved by electric brake motors to our KPIs from FY2024, and will continue to contribute to decarbonization in the three major elements of automobiles: “running,” “turning,” and “stopping.”

Small precision motors (e-Bikes)

In the ASEAN region and India, motorcycles play a very important role as a means of transportation. In particular, in urban areas, traffic congestion is a serious problem, so motorcycles are widely used as a means of smooth transportation. In addition, because they are more economical than cars, they are also very important in that they allow more people to access them. In these regions, several million motorcycles are sold each year, and the number is increasing year by year.

On the other hand, as transportation systems such as motorcycles have rapidly developed in these regions, serious environmental problems have arisen. There are many old vehicles and vehicles that do not meet emission standards, and in addition to the CO₂ contained in exhaust gas from internal combustion engines causing global warming, respiratory diseases and other health problems due to air pollution are increasing. In order to solve these environmental problems, electric motorcycles, which do not have internal combustion engines, are attracting attention as one of the next-generation means of transportation. The e-Bike market is growing rapidly due to stricter environmental regulations and subsidy policies in various countries, and it is said that the number of e-Bikes sold worldwide (excluding China) will increase from 1 million in 2023 to 3 million in 2024 and 10 million in 2025. In India in particular, around 7% of all motorcycles sold are already electric, and new manufacturers are entering the market, making it a very active market.

Initiatives in FY2023

The total number of our electric drive motors for e-Bikes sold has reached over 100,000 units (as of April 2024). As of FY2023, we are mass-producing these motors for customers not only in Japan, but also in Europe, ASEAN, and India. By supplying drive motors for electric motorcycles, we have contributed to the switch from gasoline-powered motorcycles to e-Bikes, and in FY2023 alone, we contributed to a reduction in CO₂ emissions of 5,000 tons.

Toward the future

One of the features of our drive motors is that they are lightweight, compact, and small, which saves electric power, and they also have low vibration, which improves quietness. We have established a development and production system for motors that meets market demands, and we are developing a wide range of motors, including low-priced in-wheel types, highly convenient side-wheel types, and high-performance center types.

The electrification of motorcycles is expected to progress rapidly in the future. In preparation for future increases in production, we have started up a new factory dedicated to the production of drive motors for e-Bikes, in addition to our existing factories. While pursuing further miniaturization and higher performance of motors, we are also developing integrated motors that combine motors and inverters.

In this way, we will contribute to a decarbonized society by expanding sales of drive motors for e-Bikes and replacing them with next-generation models that have a low environmental impact.



HONDA “EM1 e”

Reduce CO₂ emissions attributable to business activities

Materiality

- By FY2025, increase the introduction ratio of renewable energy to 40% on a consolidated basis
- Annually disclose a climate change scenario in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations



Environment

Background to the identification of materiality

The NIDEC Group has set a target of achieving sales of 4 trillion yen by FY2025, and it is necessary to reduce CO₂ emissions while expanding the scale of business. If the introduction of renewable energy, which is a key measure for reducing CO₂ emissions, does not progress as planned, and if a carbon tax is introduced, there is a risk of increased costs. In addition, there is a risk of business suspension or a decline in reputation if the company is unable to respond to requests from customers and investors for action and disclosure on climate change.

Initiatives in FY2023

Aiming to increase the ratio of renewable energy, we are promoting initiatives that focus on both energy-saving activities and the introduction of renewable energy. As a typical example of energy-saving activities, NIDEC Vietnam installed covers on the heaters of its injection molding machines, reducing the amount of electric power consumed by its production and air conditioning equipment.



Injection molding machine with heat insulation cover attached

In terms of introducing renewable energy, Nidec Precision (Zhejiang) utilized an on-site PPA* to introduce a 1,600kW solar power generation system. In fiscal 2023, despite an increase in the number of NIDEC Group business sites, the ratio of renewable energy introduced increased from 7.8% in the previous year to 12.5% due to these and other measures.

* On-site PPA (Power Purchase Agreement): A contract format in which a power generation company installs power generation equipment on the premises of a customer and supplies electric power and environmental value.



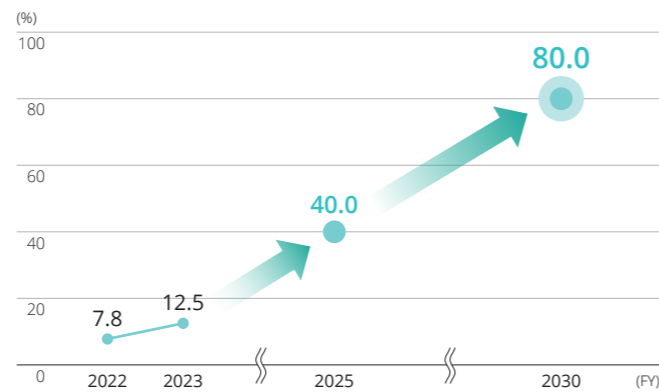
Solar power generation system installed at NIDEC PRECISION (ZHEJIANG)

Toward the future

In our energy-saving activities, we plan to select model factories in each business units and promote initiatives. We will promote energy-saving activities by deploying energy-saving measures that have been confirmed to be effective at model factories to other business sites. In terms of introducing renewable energy, in addition to introducing renewable energy at each business site, we plan to implement comprehensive renewable energy procurement on a regional basis using virtual PPAs*.

* Virtual PPA: A contract type in which only environmental value, not actual electric power, is traded with the power generation business operator.

Renewable energy introduction ratio



Manage waste and hazardous waste

Materiality

- In 2025, reduce the volume of waste generated in intensity per unit sales by at least 3% from the level of FY2022



Environment

Background to the identification of materiality

In recent years, as the increase in waste has become a global social issue, our company has been focusing on building business processes that minimize the generation of waste. We are working to make effective use of raw materials, not only by eliminating waste as much as possible in the manufacturing process, but also by minimizing the use of containers and packaging materials. In addition, we are also continuously working to promote recycling by thoroughly sorting waste. If we do not respond to materiality, first of all, from a business perspective, there is an increased risk of legal violations, as well as increased costs for purchasing raw materials and disposing of defective products. On the other hand, from a social perspective, there is a risk of increased environmental impact from waste landfill and increased energy and CO₂ emissions from waste disposal.

Initiatives in FY2023

As part of our efforts to reduce the amount of waste generated, we have been promoting resource conservation

through a review of product design. We have also steadily promoted activities to reduce defective products, which are one of the causes of waste generation. As a result of these initiatives, the amount of waste and valuable resources generated in FY2023 was 289,271 tons, a 4.7% reduction compared to FY2022 on a sales basis. Improving material yield in the manufacturing process is also an important initiative. As a result of analyzing the amount of waste generated for each resource, it was found that the largest amount of waste was generated by iron used as raw materials, and it was clear that improvements in processing losses during manufacturing would have a reduction effect.

Toward the future

In product design, we will accelerate resource conservation by consolidating and sharing best practices within the company. In addition, we will work to solve the issue of improving material yield in the manufacturing process by further analyzing the amount of waste generated for each resource and the causes of waste generation.

Handle water risks

Materiality

- Fully complete water risk assessments at all production sites



Environment

Background to the identification of materiality

Water is the most precious resource that is indispensable for people's lives and industry, and it is said that, excluding seawater, icebergs and glaciers, the amount of water resources that can actually be used on Earth is only about 1% of the

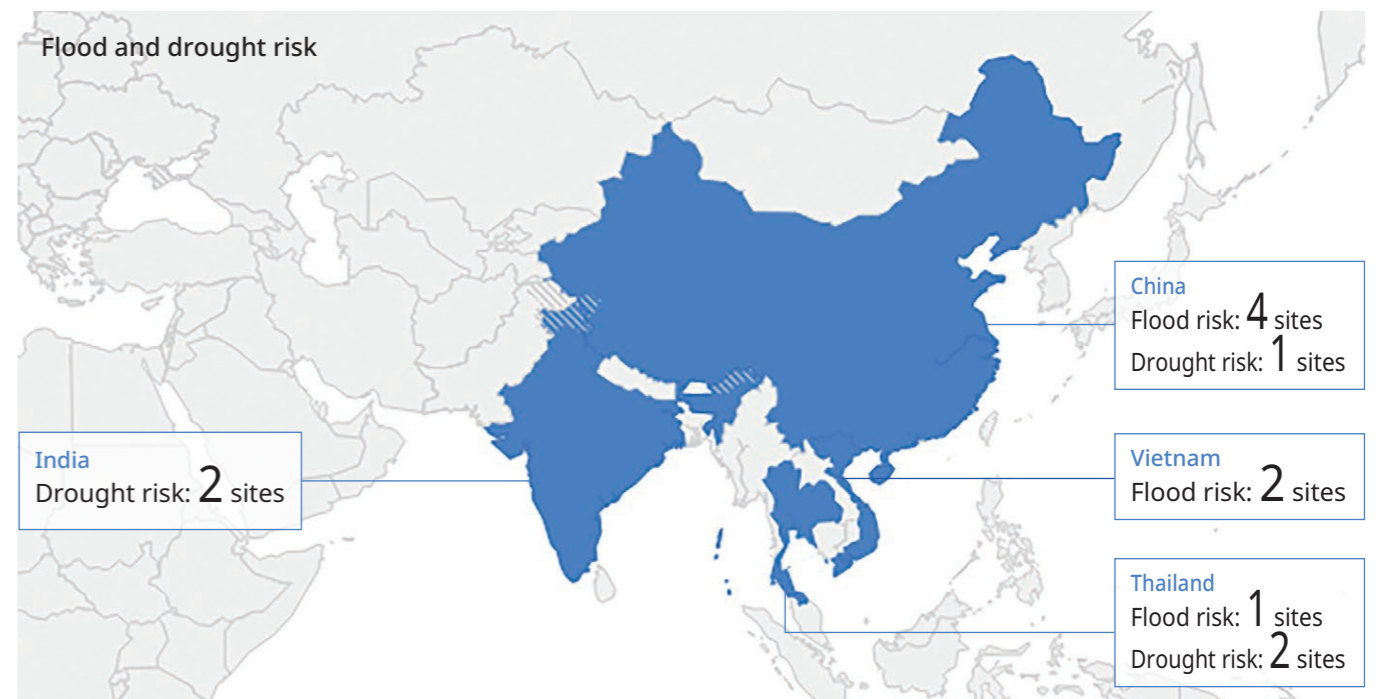
total. Our company uses water for cooling and cleaning at our production bases, and the depletion of water resources could have an impact on business continuity, such as shortening or suspending factory operations. In addition, if the risk of flooding increases due to climate change, there is a risk of operational shutdowns and disruption to the supply chain due to flood damage. Furthermore, if we violate wastewater regulations, there is a risk of affecting the surrounding areas and water source areas.

Initiatives in FY2023

We assessed the impact of water risks on the business activities of all of our production bases around the world using the World Resources Institute's (WRI) Aqueduct and the World Wide Fund for Nature's (WWF) Water Risk Filter, based on five categories: "flooding," "water shortage," "water quality," "water supply variability," and "regulation/reputation." As a result of these initiatives, it was revealed that 38 sites were at risk of flooding and 40 sites were at risk of water shortages, so we identified flooding and water shortages as important risks for our company. We then conducted a detailed survey of local information and business activity information, and identified a total of 12 sites in China (5), Thailand (3), Vietnam (2), and India (2) as being at high risk of flooding and water shortages, and confirmed that certain risk countermeasures were being taken at each of these sites.

Toward the future

Based on the initiatives we have been promoting to date, we will set targets for reducing water intake and wastewater volume, etc., and formulate activity plans to reduce water risk. By steadily advancing the water risk assessment process in this way, we will reduce the impact not only on our business, but also on the surrounding areas and water source areas.



Materiality Initiatives

— Build an internationally competitive supply chain to solve social issues —

Materiality

- Conduct human rights due diligence on major suppliers: Implementation rate for high-risk suppliers by 2025: 100%



CSR procurement flow



Background to the identification of materiality

Supply chains are linked to many social issues. Companies need to conduct business while considering the impact on the environment and society as a whole, not just their own profits. If social or environmental risks in the supply chain are uncovered, such as when the rights or safety of workers at suppliers are not being protected, or when the raw materials used in procured goods are linked to environmental destruction, this can lead to a slowdown in the procurement of raw materials and parts, and damage the sustainability of the company's supply chain, which in turn could affect the company's ability to continue its business. Furthermore, the lack of transparency and risk management in the entire supply chain may be exposed, damaging the company's reputation and credibility, and there is a risk of consumer boycotts and social criticism. On the other hand, addressing materiality can lead to the mitigation of social and environmental risks in the supply chain, and enhance the sustainability of the company. In addition, by strengthening sustainable procurement activities and risk management, you can gain the support of consumers and create opportunities to acquire new

customer segments. By working to solve social issues throughout the supply chain, you can demonstrate leadership within your industry and build a competitive and robust supply chain. In order to achieve sustainable business operations and strengthen competitiveness, proactive measures and initiatives are required to solve social issues throughout the supply chain.

Initiatives in FY2023

We participated in a subcommittee of the United Nations Global Compact Japan and examined internal operational rules with reference to industry trends regarding human rights due diligence. For example, in the NIDEC Supplier CSR Self-Assessment (SAQ) conducted in FY2023, in order to identify human rights risks, which had been an issue, we added questions about specific items and regions that were considered to have a high risk of human rights violations, based on the information obtained in the subcommittee, and conducted a survey. Based on the supplier information obtained in this survey, we measured the probability of human rights violations occurring and the severity of the damage after they occur for each category, and identified the potential human rights risks in our own supply chain and determined the priority of our initiatives. In addition, with regard to the SAQ items that we have been continuously implementing, we have developed them from the previous evaluation of the entire supply chain to a more detailed evaluation, and we have analyzed the suppliers that we have judged to be at high risk based on our standards (3% of the total) and the suppliers that scored below our standards in the human rights section of the materiality KPIs (1% of the total). We plan to conduct individual interviews and surveys with these suppliers in the next fiscal year and beyond.

Toward the future

We plan to conduct on-site surveys and hold dialogues with suppliers who scored below the benchmark in the human rights section of the 2023 SAQ. If issues are identified through visits and interviews, we will request corrective action and continue the human rights due diligence cycle.

Nidec supplier CSR self-assessment

Starting from FY2018, we have conducted the Nidec supplier CSR self-assessment to understand the status of CSR procurement and have our supply chain partners report on the status of their implementation of the Nidec Group Supply Chain CSR Promotion Guidebook and the Nidec Group's Basic Policy on Human Rights. The survey is designed to assess the status of each supplier's CSR activities, based on a total of 111 items in Chapters 1 through 6 of the Nidec Group Supply Chain CSR Promotion Guidebook. Regardless of whether the evaluation is high or low, feedback, etc. is provided to all suppliers to encourage further improvement.

	FY2021	FY2022	FY2023
Number of suppliers that conducted a Nidec supplier CSR self-assessment	698	732	876

Dissemination of policies and standards to suppliers

The NIDEC Group places great importance on collaboration with suppliers in its pursuit of sustainability in the supply chain. The NIDEC Group Supply-Chain CSR Promotion Guidebook and NIDEC Group Human Rights Policies set out the policies and standards for building a sustainable supply chain, and these are being rolled out to all global suppliers. We also stipulate compliance with these policies and standards in our basic purchasing contracts. In addition, in order to conduct due diligence on potential new suppliers, we always request that suppliers with whom we are starting new transactions respond to the NIDEC Supplier CSR Self-Assessment and conduct risk assessments of social issues.

NIDEC Group Supply-Chain CSR Promotion Guidebook

Example 1 Clarified policy on reducing excessive working hours

- Suppliers shall comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, and maximum hours. Further, Suppliers are encouraged to implement corrective measures in situations where the number of hours worked by employees, including overtime, repeatedly exceeds 60 hours per week.
- Unless otherwise provided by applicable local law, Suppliers shall provide all employees with a minimum of one day off per week or every seven day period. This rest period must be in addition to any annual leave provided under national legislation and practice.

Example 2 Commitment to exceeding the minimum wage in the region / meeting the cost of living

- Suppliers shall ensure that compensation paid to employees complies with all applicable wage laws, including those relating to minimum wages, overtime pay and legally mandated benefits. Illegal, unjustified wage deductions as a disciplinary measure shall not be permitted.
- For each pay period, employees shall be provided with a wage statement that includes sufficient information to verify accurate compensation for work performed.

* Please click the URL below for the "Nidec Group Supply-Chain CSR Promotion Guidebook."

<https://www.nidec.com/-/media/www-nidec-com/corporate/procurement/green/pdf/Supply%20Chain%20CSR%20Guidebook%20JP.pdf>

Holding CSR seminars at major sites

As Nidec promotes CSR activities throughout its supply chain, it is important that our procurement personnel first understand Nidec's CSR policies. Since FY2018, Nidec Corporation and Nidec Group companies in Japan have conducted CSR seminars for purchasing personnel based on the Nidec Group Supply Chain CSR Promotion Guidebook. In FY2023, the number of seminars increased significantly as the scope of the program was expanded to include employees in departments other than purchasing (such as development, production, and quality assurance departments). Going forward, we plan to actively expand CSR seminars by increasing the number of seminars (four times a year), holding them at overseas locations, and holding them for suppliers.

	FY2021	FY2022	FY2023
Number of CSR Seminars Held	250	—	1,300

Small Precision Motors

Review of FY2023

Net sales decreased 2.3% year on year to 415,709 million yen. Sales of HDD motors decreased 10.0% year on year to 70,608 million yen, mainly due to a decrease in sales volume. Sales of other small motors decreased by 0.5% year on year to 345,101 million yen, while operating profit increased by 40.5% year on year to 37,474 million yen as a result of the significant reduction in fixed costs and the steady improvement in cost and sales prices in response to the impact of the decrease in sales and changes in the product mix. In addition, the impact of foreign exchange rates increased sales by approximately 20,800 million yen compared to the previous year, and operating income increased by approximately 1,400 million yen compared to the previous year.

Regarding HDDs, the global shipment volume decreased from approximately 170 million units in 2022 to approximately 120 million units in 2023. Regarding HDDs for data centers, after the coronavirus pandemic ended, there was a slowdown in investment by major IT companies, leading to inventory adjustments, and

demand for our HDD motors also continued to decline, but there were signs of a recovery in demand in the second half of 2023. Demand for DC motors also fell for other small motors, such as those for optical discs and office automation equipment. On the other hand, new business opportunities have arisen, such as water-cooling modules for data centers, against the backdrop of the rapidly growing demand for AI.

Medium- to long-term growth strategies

The demand for the optical disc and office automation equipment motors that our company has been involved with is decreasing as a medium- to long-term trend. In addition, it is difficult to expect significant growth in the existing products of this division, as global shipments of IT equipment such as PCs equipped with HDD motors and fan motors, and smartphones equipped with vibration motors, are not expected to grow significantly in the future.

In this business environment, it is essential to shift the business portfolio in order to continue growing in the future. In this context, we are working on a new

growth business: water-cooling modules for AI servers. Until now, the mainstream method for cooling the computing servers used in data centers, companies, research institutions, etc. has been air cooling using fan motors, but in the field of AI, which is expected to expand in the future, the AI-oriented semiconductor computing devices (CPUs/GPUs) that perform learning processes based on huge amounts of data generate significantly more heat than conventional devices. Therefore, it is thought that water-cooling systems, which have significantly higher cooling capacity than air-cooling systems, will become essential in the future, as air-cooling systems that rely on air conditioning equipment will be unable to cool the large number of servers lined up in buildings. In order to meet the growing demand for water-cooling modules accompanying the development of AI, our company is working to expand production capacity, manufacture parts in-house, and develop next-generation products.

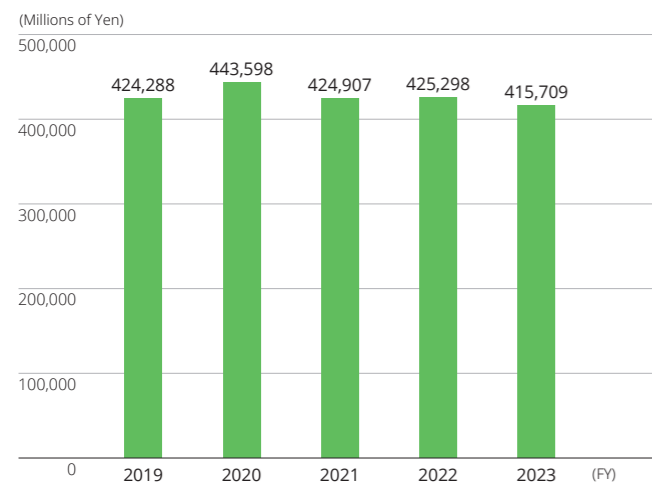
We are also working on the development of motors for electric motorcycles. Just like in the four-wheeled vehicle market, the wave of electrification is also sweeping over the two-wheeled vehicle market, and

we recognize this as a market where we can expect to see a significant expansion in demand for motors for drive units in the future. The global production volume of two-wheeled vehicles is approximately 60 million units, and India, which accounts for approximately 20 million of these, is the largest market. Therefore, we are focusing our sales activities on two-wheeled vehicle manufacturers in India, and we are already supplying several top manufacturers.

In 2014, we established a factory in Nimrana, Rajasthan, India, for the purpose of manufacturing and selling Automotive products and Appliance, Commercial & Industrial Products. In December 2023, we opened a new building to produce drive motors for e-Bikes. We hope to capture the strong demand for motors for e-Bikes in India.

In fields other than those listed above, we recognize that there are significant business growth opportunities in fields such as logistics, agriculture, and medical and nursing care and healthcare, and we recognize these as key areas for our Three New Activities (New markets, New products, New customers).

Net sales



Operating profit / Operating profit ratio



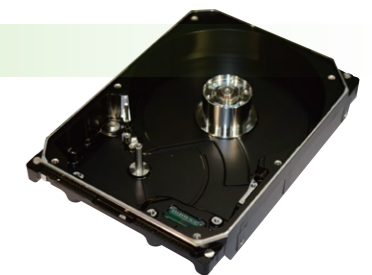
Main Products



Water-cooling modules CDU (Coolant Distribution Unit)



e-bikes motors



HDD motors

Automotive Products



Review of FY2023

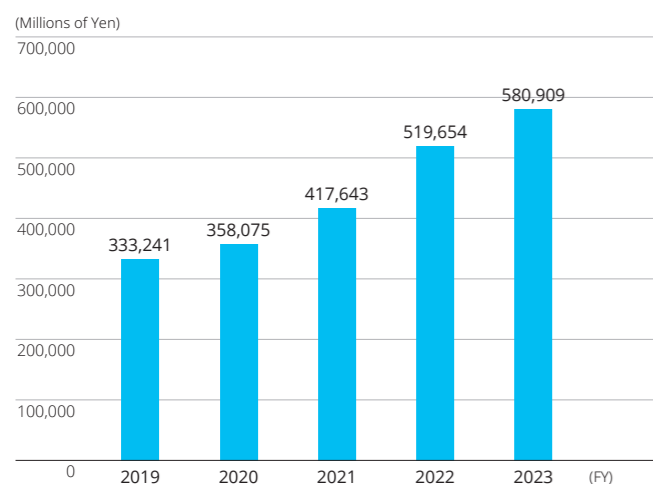
Net sales of this category increased 11.8% to 580,909 million yen for this fiscal year compared to the previous fiscal year by the impact of recovery in automobile production on a global basis, although NIDEC faced the fiercer competition in Chinese EV market.

In the automotive organic business (existing business), NIDEC promoted a significant reduction in fixed costs even though this business increased profits due to sales expansion. In the Battery EV related business, in addition to further significant reduction in fixed costs, we have shifted the strategy to put first priority on our profitability such as limiting orders for unprofitable models.

Along with this, including an impact of recording restructuring costs by approximately 59,800 million yen, operating profit of this category increased 11,099 to 31,192 million yen loss for this fiscal year compared to the previous fiscal year. The impact of foreign exchange rates on sales was an increase of approximately 31,500 million yen compared to the previous year, and on operating income, an increase of approximately 300 million yen compared to the previous year.

Regarding Battery EV related business, we made "Re-start" in line with the strategic shift, and the new structure is going smoothly. We will take on the speedy challenges for our future growth that maximizes the our group's inherent strengths.

Net sales



Medium- to long-term growth strategies

1. Automotive organic business (existing business)

In the Automotive organic business (existing business) segment, we aim to leverage the tailwind of market changes, such as the recovery in global automobile production volumes due to the easing of supply constraints for semiconductors and other components, and the electrification of automobile components associated with the "CASE revolution" typified by the spread of automated driving, to drive business growth. In addition to automotive products such as electric power steering motors and brake motors, which boast the world's largest market share, we expect sales of products essential for the electrification of automobiles, such as electric oil pumps and electric water pumps, to grow.

The realization of automatic driving is dependent on the implementation of by-wire technology, which controls brakes, steering, etc. using electrical signals, and motors are essential for the realization of this technology. For example, feedback actuators provide a reaction force to the steering wheel to assist the driver's movements. Furthermore, motors for electric power steering require a higher level of redundancy than conventional products.

In addition, we have received a large order for power control components such as inverters and DC/DC

converters for hybrid vehicles. The entire group has a diverse lineup of automotive products, and we will continue to support the evolution of automobiles by providing solutions that meet customer needs.

2. EV traction motor business

① E-Axle business of the joint venture company

In the Chinese EV market, where the healthy competitive environment is being lost due to the development of intense price competition, we have quickly made a strategic shift to prioritizing profitability ahead of other companies. We have established a joint venture with a Guangzhou Automobile's group company, and for the time being we will focus on producing E-Axles for Guangzhou Automobile through this joint venture, while limiting orders for unprofitable models. At the same time, we are implementing measures to respond to competition in the Chinese EV market, such as thorough cost reductions through further localization of development and parts procurement, and the development of a third-generation E-Axle.

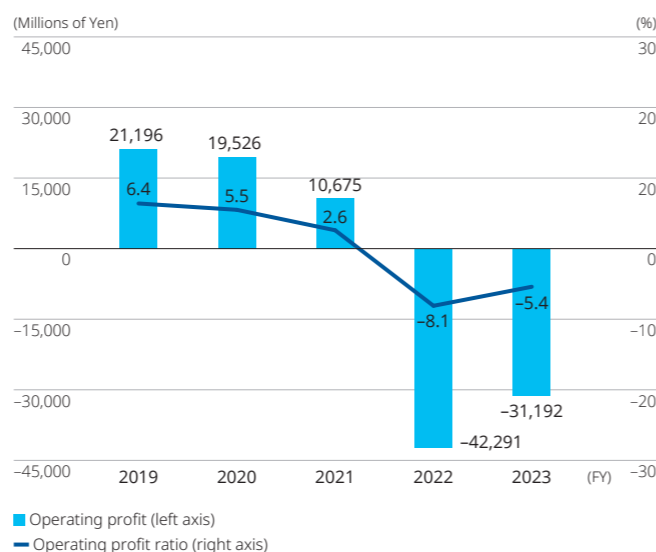
In Europe, meanwhile, Nidec PSA emotors (NPe), a joint venture with the Stellantis, began full-scale mass production of E-Axle in FY2024, and the company's results have also started to be included in consolidated results. We are currently working to rapidly ramp up production, and in the first half of FY2024 we will assess

the production capacity required in Europe, while also working to improve profitability through measures such as reducing material and subcontracting costs and improving quality, in preparation for the full-scale production that will begin in the second half of FY2024. The Stellantis Group has announced that it will produce 5 million electric vehicles globally in 2030, and NPe will ensure that it captures the long-term shift to electrification as an in-house function.

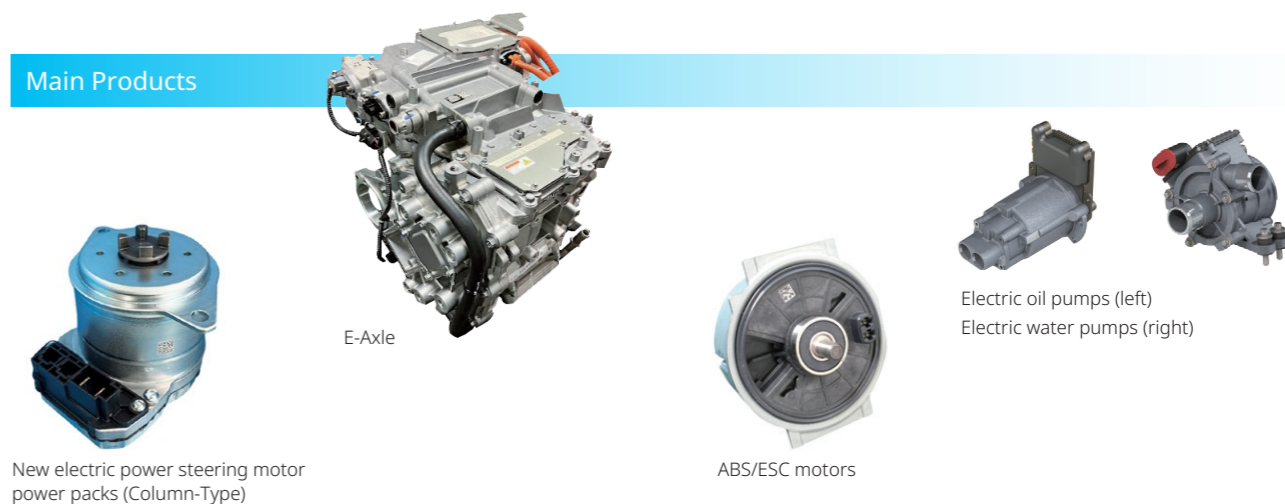
② Supply of motors and motor components for E-Axles

Among European automobile manufacturers, there is consideration of importing and selling products from China in partnership with Chinese EV manufacturers, and of producing in Europe in anticipation of additional EU tariffs on Chinese-made EVs. In light of these developments, our company will leverage the technological capabilities, cost competitiveness, and sales track record we have cultivated in the challenging market since the dawn of the EV market to focus on supplying not only E-Axles themselves, but also the motor components of E-Axles, such as rotors and stators. We will also propose the same parts supply to Japanese automobile manufacturers. By developing a high-value-added parts business that makes the most of our strengths, we will work to improve the profitability of our EV traction motor business.

Operating profit / Operating profit ratio



Main Products



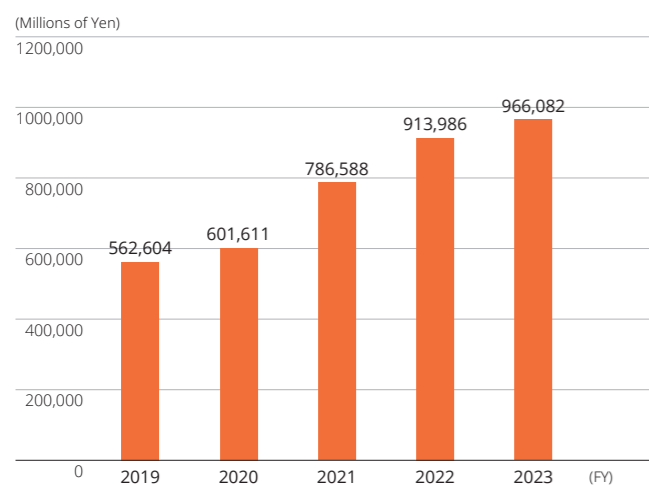
Appliance, Commercial & Industrial Products

Review of FY2023

In the Motion & Energy (MOEN) with a focus on industrial related sector, in addition to capturing the tailwinds of expanding power generator and clean energy markets consistently, we expanded new businesses against the backdrop of strong infrastructure related demand despite the continued reconciliation of the demand for home appliances. As a result, net sales of this category increased 5.7% to 966,082 million yen for this fiscal year compared to the previous fiscal year. In the home appliance related sector, we realized a significant increase not only in sales but also in profit due to fundamental cost structure reform such as a substantial reduction in fixed costs. In the industrial related sector, we also realized a significant increase in profit due to the continuous manufacturing cost and sales prices improvement, in addition to the higher sales. As a result, operating profit of this category increased 62.2% to 114,874 million yen for this fiscal year compared to the previous fiscal year.

The impact of exchange rates on sales was an increase of approximately 58.6 billion yen compared to the previous year, and on operating income, an increase of approximately 5.9 billion yen compared to the previous year.

Net sales



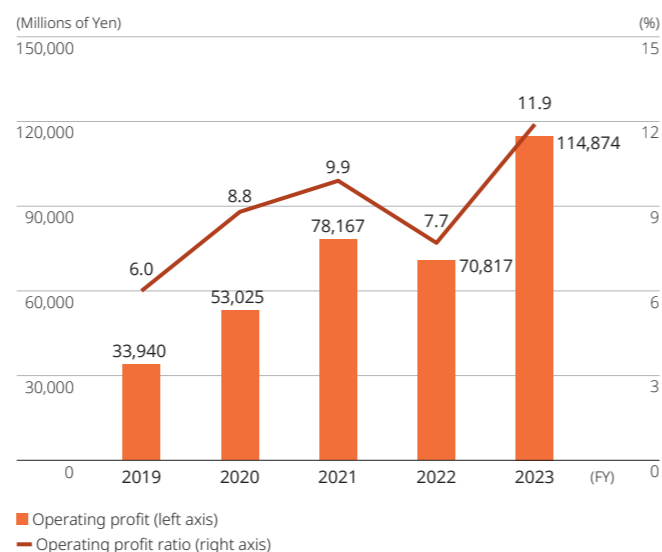
Medium- to long-term growth strategies

Since the outbreak of the new coronavirus infection in 2020, so-called "nesting demand" has driven growth in this division, with compressors for refrigerators, motors for home air conditioning, and motors and gears for transport robots used in the delivery centers of e-commerce companies. After the coronavirus pandemic, global demand for home appliances and CAPEX have continued to be sluggish, and the drivers of performance in FY2023 have shifted to industrial-related products, including generators for auxiliary power supplies for data centers, battery energy storage systems (BESS), and medium- and large-sized motors for energy infrastructure-related equipment. Although this division has a diverse range of businesses under its umbrella, we believe that growth can be expected in the following fields in the medium- to long-term.

Generators for auxiliary power supplies for data centers

The amount of data in the world continues to increase, and the number of data centers is also on the rise. The demand for generators for auxiliary power supplies as a backup in the event of a power outage is increasing, and orders are increasing. We expect sales to increase at a CAGR of 12% from FY2022 to FY2026.

Operating profit / Operating profit ratio



Solutions for renewable energy

Against the backdrop of the trend towards net zero CO₂ emissions, and with the increasing demand for alternative power, there is a growing need for battery energy storage systems (BESS). BESS is a system that stores and transmits the electric power generated by renewable energy sources such as solar power and wind power. We provide services to transmission operators in various countries, and contribute to the stable supply of renewable energy. In response to the increase in demand, we expect sales to increase at a CAGR of 28% from FY2022 to FY2026.

In FY2023, multiple contracts for the installation of BESS were announced. Two contracts worth a total of approximately 70 million euros have been signed with Neoen, a French renewable energy power generation company, for the installation of BESS. These systems are scheduled to begin operating in Finland and Sweden in the first half of 2025, with capacities of 93.9 MWh and 112.9 MWh, respectively.

We also announced a collaboration with French company NW. We plan to supply a total of 2.5 GWh of BESS in France by 2028.

Medium- and large-sized motors for energy infrastructure-related equipment

In 2012, our company acquired Ansaldo Sistemi Industriali S.p.A. of Italy. The company has now been in business for over 170 years, and since its founding it has been supplying large motors, generators, drives, etc. for the power generation and oil & gas fields. Currently, these businesses are growing significantly in response to the trend towards the use of renewable energy and the electrification and efficiency of energy infrastructure. As an example of a recent large-scale project, we received an order for large motors for the Transalpine Pipeline (TAL) efficiency improvement project, which transports oil from Trieste in Italy to Austria, Germany and the Czech Republic. By supplying high-efficiency motors, we contributed to improving pump efficiency and reducing vibration. We also received an order for motors for a liquefied natural gas production system in Qatar. In liquefied natural gas production sites, compressors are used in the process of condensing and liquefying natural gas. Gas turbines were previously used, but there is a demand to switch to motor-driven systems due to environmental measures and efficiency needs, and we received the order. As customer needs shift in line with decarbonization, NIDEC's large motors are playing an active role. In these businesses, we also provide maintenance after delivering the motors. As our large motor business expands, we would like to focus on the maintenance business as well.

Main Products



Battery Energy Storage System (BESS)



Generators for auxiliary power supplies



45MW hi-speed motor-generator

Other Products

(Machinery, Electronic and Optical Components, etc.)

Review of FY2023

In the machinery category, net sales increased 5.2% to 298,375 million yen for this fiscal year compared to the previous fiscal year due to sales increase of machine tool and press machine related business and newly consolidated subsidiaries despite lower sales of semiconductor inspection systems, LCD panel handling robots affected by market cycle. Operating profit of this category increased 24.7% to 43,867 million yen for this fiscal year compared to the previous fiscal year, mainly due to an increasing sales.

In the Electronic and optical components category, net sales decreased 1.4% to 81,839 million yen and operating profit of this category decreased 2.7% to 13,214 million yen for this fiscal year compared to the previous fiscal year. In addition, the impact of foreign exchange rates increased sales by approximately 2,100 million yen compared to the previous year, and operating income increased by approximately 500 million yen compared to the previous year.

Medium- to long-term growth strategies

Other products are divided into two groups: machinery, which account for about 80% of sales, and electronic and optical components, which account for about 20% of sales.

Machinery and Automation Business Unit, which accounts for the majority of the Machinery segment, is expected to be the core of future growth. Nidec Drive Technology Corporation (formerly Nidec-Shimpo Corporation), one of the group companies, is divided into three main businesses: Reducers, Press machines, and Machine tools.

The reducer business is expected to see future demand increase due to the labor shortages that are spreading, particularly in developed countries. With the aging population and declining birth rate in the world's top GDP countries such as the United States, China, Europe and Japan, the ratio of the working-age population (aged 15 to 64) is decreasing, and automation in factories is becoming an urgent

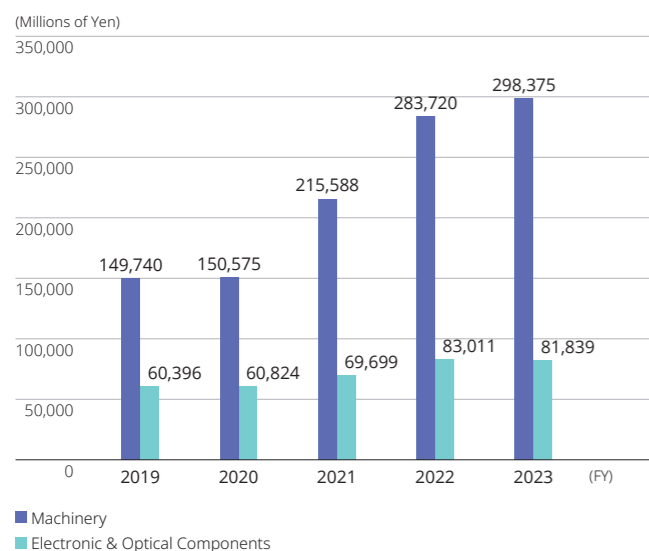
issue. For this reason, the use of collaborative robots in production processes is expected to accelerate in the future. We have newly released the medium- to large-sized internal gear planetary reducer "Kinex" in November 2023. This, together with the small-sized FLEXWAVE® strain wave gear that we have been producing for some time, means that we now cover all the Reducers for robot axes. We manufacture in Japan at the Ueda and Komagane factories, in Asia in China and the Philippines, and in Europe in Germany and Spain, and supply our products widely both in Japan and overseas. We will also expand our business to include collaborative robots, which are expected to grow in the future.

In the Press machines business, we have a full lineup of products, from 10-ton to 4,500-ton press machines, as well as peripheral equipment such as roll feeders. Furthermore, we produce products in Japan, the United

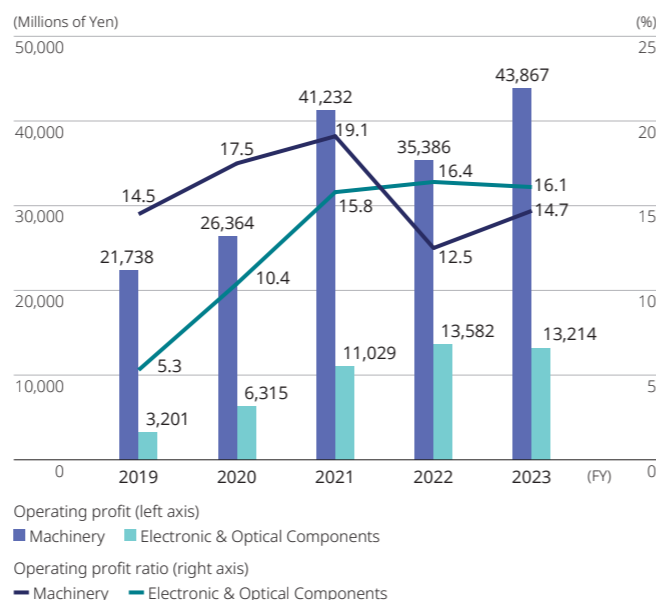
States, and Spain, and supply a wide range of products globally.

In the Machine Tools business, we acquired Mitsubishi Heavy Industries Machine Tool (now Nidec Machine Tool) and OKK (now Nidec OKK) in FY2021, PAMA S.p.A. in Italy in FY2022, and TAKISAWA in FY2023. The acquisition of TAKISAWA was the first takeover bid by our company. Our machine tools business, which was launched with the acquisition of Mitsubishi Heavy Industries Machine Tool in 2021, has grown to approximately 100 billion yen in sales in 2023. Today, our product portfolio includes machining centers, lathes, gear cutting machines, and large-scale general-purpose machine tools, and now we provide one-stop products and services to many customers. We aim to become the world's No. 1 comprehensive machine tool manufacturer by fiscal 2030.

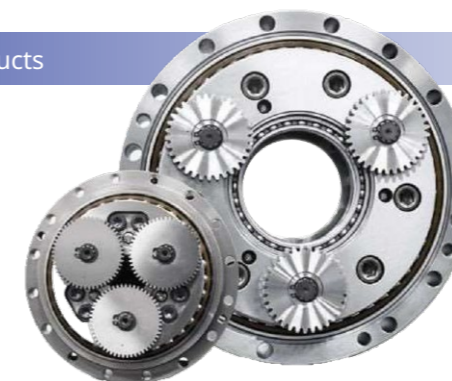
Net sales



Operating profit / Operating profit ratio



Main Products



Reducers



CNC Lathe



Press machines

Messages from Outside Members of the Board of Directors



Shinichi Sato
Remuneration Committee Member

Governance at Nidec is being continuously enhanced through the establishment of the Nomination Committee and Remuneration Committee, and the operation of the Sustainability Committee, and appropriate measures are being taken from the perspective of sustainable increase in corporate value and consideration for stakeholders. A well-functioning whistle-blowing system ensures that any misconduct, such as improper accounting treatment, is handled with extreme agility and integrity, with thorough preventive measures implemented immediately.

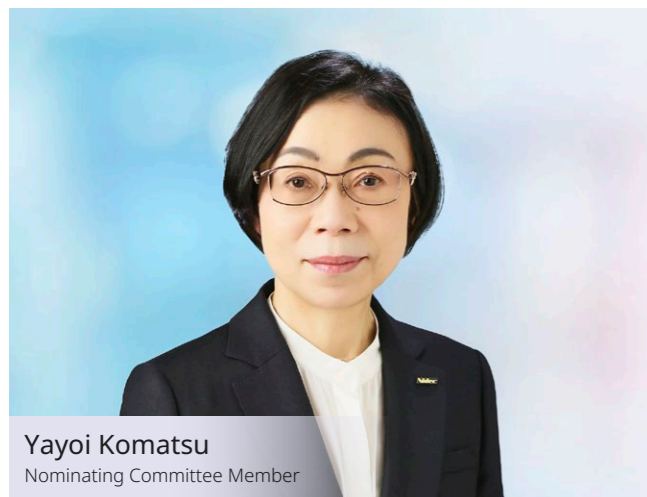
The Board of Directors is engaged in active and intensive discussions. In particular, questions from outside directors are answered with sincere and detailed explanations from internal directors and those in charge of agenda items, and discussions focus on the outlook for and measures to address various risks

associated with important investment projects and financial matters. Given the current situation in which the risk of unimaginable problems emerging in any part of the world is extremely high, it will be important to add the following themes to the discussion: identifying issues and risks from a bird's eye view of the many bases located in various regions, business fields, and the entire Group; and monitoring the effectiveness of the cross-organizational check function. In addition, I hope that foreign nationals with management experience in global companies, both internally and externally, will join the Board of Directors in the future.

In recent years, the world has entered a chart-less era, with a rapid paradigm shift, heightened geopolitical risks, and unprecedented fragmentation and instability in markets. Under these circumstances, it will be even

more important for Nidec to be determined to open the new era with animal spirits and imagination, based on the tangible and intangible assets it has cultivated over the years, from the perspective of continuity and change. If we can create new social value with determination and steadily link this to sustainable growth, I believe that Nidec will be able to further enhance its corporate value and evolve into a global company that can be relied upon even in a chart-less era.

In light of this situation, I will, as an outside director, gather diverse information from a global perspective, carefully supervise the progress of management goals and the state of governance by drawing on my experience and knowledge, and raise issues and make recommendations as necessary.



Yayoi Komatsu
Nominating Committee Member

FY2023 was the first year in which the appointment process of the president was made transparent, and I participated in the discussion of the appointment of the new president at the Nomination Committee. Five vice presidents were appointed as candidates for the new president, and after the new president was selected, a collegial system was established to support the president. We were very careful in the process of selecting the candidates for president, but the selection process was carefully carried out based on the Nidec's policy. As an outside director, I felt that it was necessary to have regular opportunities to interact with senior employees and to listen to the opinions of younger employees.

The Board of Directors meetings are proceeding

smoothly thanks to the enhanced business study sessions and pre-briefings. A large number of questions and opinions have been raised by outside directors, including at pre-briefings, and Nidec has responded sincerely to these questions and opinions, further stimulating discussions. Thanks to the comments made by Shigenobu Nagamori, Chairman of the Board, I can deepen my understanding of the background of the agenda and the Nidec's view on the future direction. As for the future members of the Board of Directors, I am looking forward to the appointment of female directors from within the Company and the appointment of foreign directors to enhance the incentive for foreign employees. A number of accounting errors were found between 2023 and 2024. However, these were properly

reported to the Board of Directors, and necessary steps are promptly being taken to improve relevant systems. I feel that we must continue to aim for system optimization in each area of the Company.

The direction of One NIDEC is being systematically unified across the entire Group, and this is expected to gradually exert positive effects. I believe that from this point onward, the technologies acquired through M&A will be combined with existing technologies to produce even greater results and innovation, and that employees will deepen interaction with each other. As an outside director, I will support the technology development division that props up the growth of the Nidec Group and contribute to the creation of a system that enables diverse human resources to make the most of their abilities.



Takako Sakai
Nominating Committee Member
Remuneration Committee Member
Sustainability Committee Chairman

Having participated in various committees, including the Audit and Supervisory Committee, Remuneration Committee, Sustainability Committee, and Nomination Committee, since my appointment as an outside director in June 2020, I feel that the Nidec Group has been steadily establishing a governance system. Especially in FY2023, during the selection process for the new president by the Nominating Committee, I was able to examine the image of a suitable leader for the Nidec Group through the performance evaluation of each candidate and discussions with outside directors, touching on the attitude of the person leading each department and his/her thoughts on colleagues and the Company. In addition, through attending the press conference announcing the new president and the ESG presentation for investors, I was able to fulfill my

accountability as an outside director regarding the decisions made by the Board of Directors and their appropriateness and rationality. I believe I had good opportunities to reconsider what is required of me to enhance corporate value.

The Board of Directors conducts annual questionnaires and their reviews, and issues pointed out by outside directors have been steadily improved. Furthermore, laboratory and plant tours, research presentations, and training on related laws and regulations are provided depending on agenda items, which provide good opportunities to understand the characteristics of the products handled and initiatives to strengthen compliance. On the other hand, while a certain level of diversity has already been maintained among the members of the Board of Directors, I look

forward to the presence of female internal directors on the board in the future.

Now that the new structure under President Kishida is gaining ground, I hope that the Nidec Group will steadily transform its portfolio and further develop new fields such as AI-related businesses by leveraging the Group's existing technologies. I also hope that the Nidec Group will develop related growth fields and further enhance its corporate value. In order for the Nidec Group to survive the fierce competition, I would like to, as an outside director, support investment in human resource development under the new structure. As the global situation becomes more complex, I will sincerely play my role to help Nidec continue to contribute to society by speedily providing solutions as it has always done.



Aya Yamada
Audit and Supervisory Committee Member
Nominating Committee Member
Remuneration Committee Member

As the corporate governance code is constantly changing due to the wave of globalization, it is not easy for a business entity like the Nidec Group, which has a wide range of overseas businesses, to keep up with the changes. Where geopolitical fluctuations and associated business changes require constant and agile decision making, the Nidec Group maintains governance by flexibly reviewing its organizational structure, carrying out DX in its finances, and other measures. It is noteworthy that Nidec goes beyond organizational and institutional responses to ensure that executive-level employees visit the work site to communicate directly with employees there in an effort to build face-to-face relationships with them. I feel that the connections between people make governance strong.

A new president was elected by the Nomination Committee in FY2023. The Nomination Committee discussed the selection

process with the perspective of outside directors, and I believe that this led to an opportunity to help the Company as a whole build awareness and deepen understanding of the new structure. We believe that this foundation has enabled a smooth transition from the traditional top-down decision-making framework to a decision-making framework based on Group-wide discussions.

The Board of Directors has made further progress in organizing agenda items, and the significance and effect of decision-making have been clarified in relation to related laws and regulations. It has become customary for briefings on agenda items to be held prior to the Board of Directors meetings, allowing directors to obtain detailed information and to learn about the question-and-answer session with other directors, which promotes understanding and stimulates discussion. As the effectiveness of the Board

of Directors has improved, I look forward to increasing its diversity in the future with the participation of those with branding and ESG expertise.

Nidec is undergoing a period of major change, and along with organizational reform, it is undertaking a bold reorganization of its business portfolio. The direction to adopt the advantages of bottom-up decision making (diversity and flexibility), while retaining the advantages of top-down decision making (speed and unity), should be highly evaluated. Nidec's untiring spirit to take on challenges and resilience to overcome failures and make them a source of success are its unique strengths and should be cherished throughout the next 100 years. I will do my best to balance these strengths internally and properly communicate Nidec's transformation to the outside world, thereby supporting its contribution to the world as a global company.



Hiroe Toyoshima
Audit and Supervisory Committee Member
Sustainability Committee Member

Nidec has strengthened its supervisory function over management by having a majority of six of its 11 directors consist of highly independent outside directors, and is working to build an appropriate governance system. When problems occur, it earnestly and thoroughly investigates the causes and works to quickly address the problems. Nidec is willing to flexibly change its governance system and pursue further effectiveness. I appreciate that the spirit of the three essential attitudes: (1) passion, enthusiasm, and tenacity, (2) work hard and smart, and (3) do it now; do it without hesitation; do it until completed, is also effective in improving governance.

At the Board of Directors meetings, outside directors ask questions and express their opinions frankly and actively, and I feel that the function of monitoring management is being fulfilled. The briefings prior to the Board of Directors

meetings, various study sessions to understand the wide range of businesses, and meetings for exchanging opinions with executive officers play important roles in understanding the agenda of the Board of Directors meetings and are indispensable for ensuring the effectiveness of the Board of Directors. In addition, under the new management structure, President Kishida has joined the Board of Directors, and discussions have become more intense and active, enabling faster and more flexible management decisions than ever before. I believe these developments are a sign that the transition to the new structure is proceeding smoothly. On the other hand, I feel that there is an issue in that we do not have many direct interactions with the executives of overseas Group companies. In the future, I hope that executives in charge of overseas and executive candidates will actively participate in the pre-briefings and

executive meetings and increase opportunities to realize One NIDEC through direct dialogue with outside directors.

Nidec has grown into a 2 trillion-yen company in a short period of time, but I feel that it is still a young company that continues to grow voraciously, expanding its business with the aim of achieving consolidated net sales of 10 trillion yen. Even if it fails due to its youth, the Company has the underlying strength to turn those failures into future growth, and I strongly expect further growth. As an outside director who is a member of the Audit and Supervisory Committee, I will pay utmost attention to the risks associated with business growth and expansion, and actively provide advice and recommendations regarding the establishment of a monitoring and supervisory function system, thereby contributing to the sustainable enhancement of Nidec's corporate value.



Kunio Umeda
Audit and Supervisory Committee Member
Sustainability Committee Member

Nidec started in 1973 with four people in a small prefab shed, but has now become the world's No. 1 comprehensive motor manufacturer. With offices in more than 40 countries, it has become a large corporation with more than 100,000 employees and net sales of more than 2 trillion yen on a consolidated basis. While the Japanese economy has been stagnant since 1995, Nidec's remarkable progress is a source of pride for Japan and a testament to its successful governance. Nidec is now making great strides to achieve its FY2030 net sales target of 10 trillion yen.

In April 2024, Nidec launched a new structure for the next era, led by Founder and Chairman of the Board Nagamori, Chairman Kobe, who has been with Nagamori for over 50 years, and President Kishida. Since I became

an outside director in June 2024, I have attended Board of Directors meetings and other meetings, and I am always amazed at Chairman of the Board Nagamori's insightful, candid, apt, and witty remarks. At the same time, I have high expectations for Nidec's new path to be paved by the initiative of President Kishida, who is full of enthusiasm. I also expect Nidec to raise the awareness of all Group employees by clearly stating that it is committed to becoming a corporate group that contributes to preserving the global environment and enriching the lives of people around the world, while adhering to its code of conduct of "Do it now; do it without hesitation; do it until completed," and the spirit of "Passion, enthusiasm, and tenacity."

The world is currently in the midst of a period of

historic change. We are facing major problems: first, geopolitical risks; second, risks of changes in the global environment itself, such as climate change, loss of biodiversity, and the increase of infectious diseases; and third, population decline and the resulting serious labor shortage. These problems will have a major impact on the future of Nidec and the lives of its employees. In the future, crisis management not only by the national and local governments, but also by companies and individuals, will become more important. Based on my experience of being in charge of various crisis management issues during my time at the Ministry of Foreign Affairs, I intend to contribute to the crisis management of Nidec and its employees as an outside director.

Materiality Initiatives

Build a fair, transparent and highly effective governance system

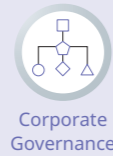
Materiality

[Board of Directors]

- Continue to have the effectiveness of the Board of Directors evaluated by a third party
- Always maintain the ratio of outside directors in the Board of Directors at 50% or more, and the ratio of female directors at 20% or more

[Nominating Committee / Remuneration Committee]

- Increase transparency and fairness in the retirement and dismissal process of directors
- Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors



Corporate Governance

In FY2023, the Board of Directors' Meeting continued to be highly evaluated for its supervisory function, and we confirmed that our Board of Directors' Meeting is functioning appropriately. We will continue to consider countermeasures based on these results and strive for continuous improvement. With regard to the policy for the selection of directors and executive vice presidents, the selection criteria, and the determination of candidate proposals, etc., the Nomination Committee was established as an advisory body to the Board of Directors' Meeting in November 2022, and deliberations are being carried out. In FY2023, the president was selected. In addition, with regard to executive remuneration, the Remuneration Committee deliberated on the remuneration level and reported its findings to the Board of Directors' Meeting.

Toward the future

In terms of ensuring the effectiveness of the Board of Directors' Meetings, providing sufficient information on each agenda item and ensuring opportunities for discussion, as well as providing appropriate industry and market information in advance, will help non-executive directors to better understand the business. Therefore, we plan to continue holding preliminary briefing sessions and informal meetings* with the President and CEO, the General Managers of the business divisions, and the Vice Presidents, while enhancing the content of these sessions.

The Nomination Committee deliberates on the process of making nominations, and the Board of Directors' Meeting resolves and documents the results, enabling the company to inform candidates both inside and outside the company, and enhancing the fairness, transparency and objectivity of the process. In FY2024, we plan to work with the Human Resources Development Committee to prepare for the selection of a candidate for the position of president in FY2028. We will also continue to improve the effectiveness of the Remuneration Committee, and will continue to take the necessary measures in the future, taking into account social conditions and the requests of stakeholders.

* Meetings to explain management strategies and business, conduct on-site tours, and share opinions with investors and other stakeholders

Background to the identification of materiality

In order to ensure the effectiveness of the Board of Directors' Meeting, it is important to incorporate a new perspective with independence and objectivity from a third party. If a third party perspective is not introduced, there is a risk that the function of the Board of Directors' Meeting will not improve or may even slow down.

In addition, if the effectiveness of the Nomination Committee and Remuneration Committee is not improved and fairness, transparency and objectivity are not ensured, we recognize that this will have a significant impact on the loss of public trust due to legal and compliance violations, as well as on the improvement of corporate value and the sustainability of management.

Initiatives in FY2023

To ensure the effectiveness of the Board of Directors' Meetings, we conduct a questionnaire survey every year targeting the members of the Board of Directors' Meeting, including outside members of the Board of Directors, to evaluate the effectiveness and analyze the current issues. In addition, in order to ensure objective evaluation and analysis, we have introduced a system of evaluation by a third party (external law firm) from FY2021.

Message from the Chairman of the Board of Directors

Our Board of Directors, which is made up of members with expertise (high level of insight) and extensive experience in various fields, supervises business execution from a diverse range of perspectives and works to strengthen our decision-making functions.

In order to ensure the effectiveness of the Board of Directors' Meeting, we conduct a survey of Board members every year and use the results of an objective effectiveness evaluation (objective evaluation and analysis) by a third party to identify issues and implement countermeasures. As a result of these efforts, in 2023, the Board of Directors' Meeting received high evaluations from Board members and third parties regarding the composition, agenda, and operation of the Board of Directors' Meeting, as well as the creation of opportunities to promote understanding of the business and discussion.

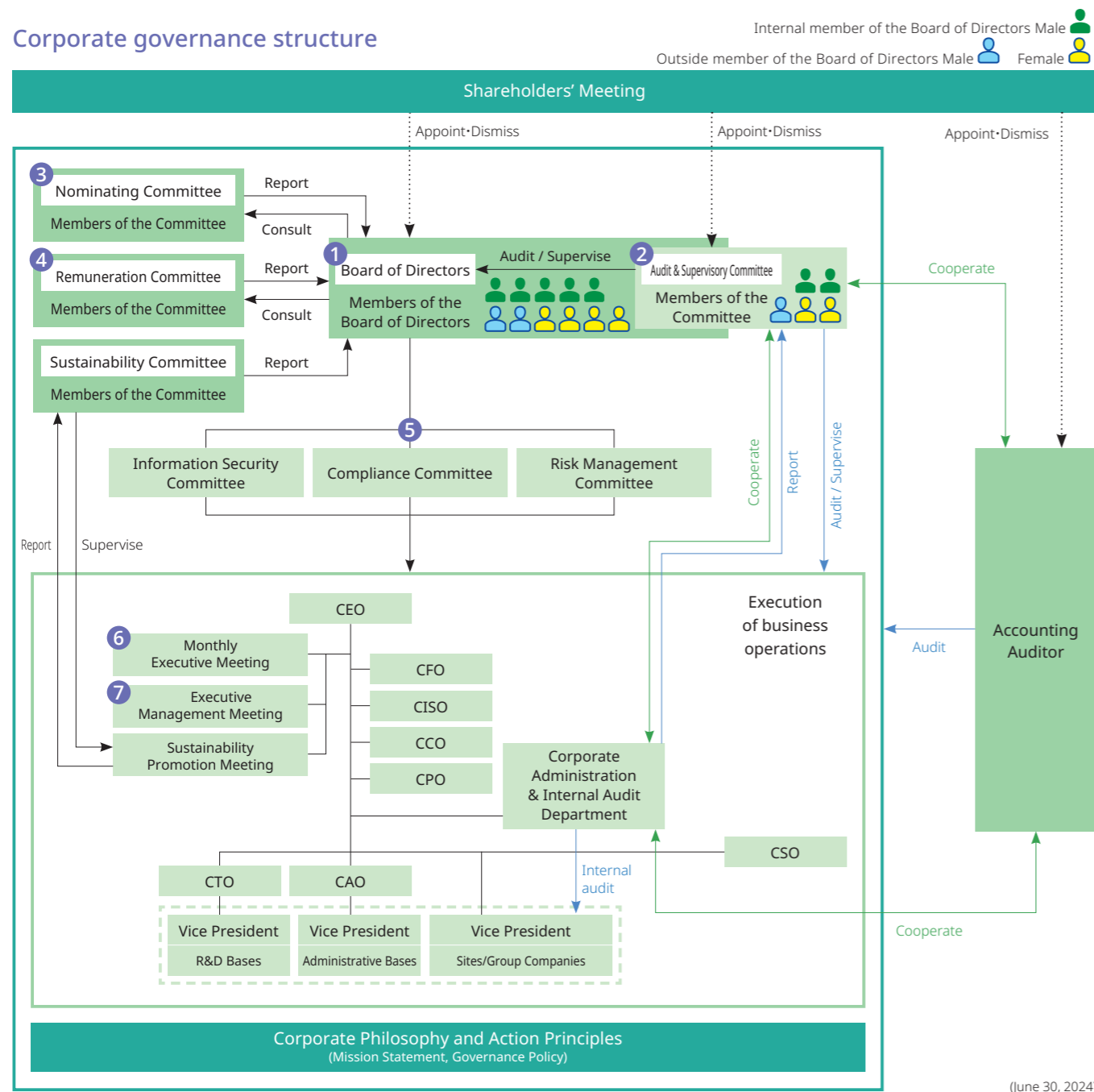
At the Board of Directors' Meeting, all members, regardless of whether they are internal or external members of the Board of Directors, exchange frank and free opinions while respecting each other. As the chairperson, I will continue to make use of these diverse perspectives and manage the Board of Directors' Meetings so that they become a forum for constructive debate. I will also work to improve the "deepening of discussions on medium- to long-term management strategies and issues" that has been pointed out by third parties, and strive to achieve a governance system with greater transparency and effectiveness and to improve corporate value.

Shigenobu Nagamori
Founder and Chairman of the Board

Founder and Chairman of the Board

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Board of Directors system design	Company with an Audit & Supervisory Board												Company with an Audit & Supervisory Committee Enhance the supervisory function of the Board of Directors and improve the soundness and transparency of business management					
Separation of supervision and execution	Executive officer system introduced																	
	Respond to global business expansion and rapid changes in the business environment																	
Outside members of the Board of Directors			Outside members of the Board of Directors appointed Improve the effectiveness of management oversight and transparency in decision making		Female outside members of the Board of Directors introduced Improve diversity		Outside members of the Board of Directors increased Further improve effectiveness of the Board of Directors											
			Ratio of Outside Directors 															Ratio of Outside Directors
Advisory Committee for the Board of Directors	Nomination Committee																	
	Remuneration Committee																	
	Sustainability Committee																	
Outside Directors' Meeting (informal meeting)																		
Board of Directors effectiveness evaluation																		

Corporate governance structure



(June 30, 2024)

1 Board of Directors
Status of operation

The Board of Directors makes material management decisions and oversees the Group's business operations as a whole. The Board of Directors includes highly independent Outside Members, to enhance the supervisory function of the company's business operation and improve management transparency and objectivity. Pursuant to the resolution passed at the Shareholders' Meeting in June 2024, the Board of Directors consists of 11 directors, 6 of whom are outside directors.

Themes of deliberations at the Board of Directors meetings

Themes of deliberations/reports at the Board of Directors meetings (FY2023)

Category	Percentage
Human resources	27.01%
Financial results	32.11%
Individual matters	20.44%
Compliance, risk management, internal control	5.11%

Category	Percentage
Business strategies, sustainability, governance	6.57%
M&A	7.30%
Shareholders' meeting, shareholders	1.46%

Example of topics for deliberations (FY2023)

- Individual topics**
- CAPEX for increasing production of large-scale precision reducers in Japan
 - Conclusion of contract and establishment of joint venture with Embraer S.A.
 - Utilization of the Shigenobu Nagamori Memorial Museum

- M&A topics**
- Nidec Machine Tool's acquisition of Nidec OKK as a subsidiary
 - TOB (Take-Over Bid) to make TAKISAWA a wholly owned subsidiary of the company

Efforts made in FY2023 to ensure effectiveness

- We will continue to hold preliminary briefing sessions for outside members of the Board of Directors, ensuring that they are fully provided with information on each matter and have opportunities to discuss it.
- We will implement the following initiatives with the aim of promoting non-executive directors' understanding of the business and deepening communication.
 - Regular holding of informal meetings (at least four times a year: business briefings, direct visits or web-based tours of domestic and Group companies) and sharing of opinions from investors and other stakeholders
 - Continuation of the President and CEO and the head of the business division giving an overview of the business at the Audit Committee
 - Information dissemination, such as explaining the relationship between investment projects and medium- to long-term strategic goals at the Board of Directors' Meeting
 - Timely distribution of news releases and other necessary information to outside members of the Board of Directors
 - Review of the timing of proposals and reports for regular matters (consideration of bringing forward, etc.), and equalization of the number of proposals per month

FY2023 evaluation results

- ① In general, the following points were evaluated.
 - The Board of Directors' Meeting is functioning well
 - The composition of the Board of Directors' Meeting (number of members, ratio of internal and external directors, etc.), frequency of meetings, number of items discussed, and meeting time are appropriate
 - Communications regarding the convening of the Board of Directors' Meeting are accurate and smooth, and the secretariat's operations are effective
 - There is an opportunity to request additional information to clarify any points of uncertainty regarding the agenda item under discussion
 - There is open discussion (not formal, but free and constructive discussion and exchange of opinions) at the Board of Directors' Meeting
- ② The effectiveness of the Board of Directors' Meetings was also highly evaluated by a third party (external law firm) in terms of the composition and operation of the Board of Directors' Meetings, and it was confirmed that a system had been established to ensure that the Board of Directors' Meetings were conducted in a way that encouraged full and frank discussions, and that such discussions were in fact being held in a free and open manner, including by outside members of the Board of Directors. The overall supervisory function of the Board of Directors' Meeting was also highly evaluated, and it was confirmed that the preliminary briefing sessions held before the Board of Directors' Meeting also contribute greatly to improving the function of the Board of Directors' Meeting. This third-party evaluation system was introduced in FY2021.

As issues to be addressed, it was pointed out that, as in the FY2022, there should be further discussion on medium- to long-term management strategies and issues (including analysis of the causes of failure to meet targets), and further improvements are considered necessary.

Initiatives for FY2024

- The following initiatives will be implemented with the aim of promoting a better understanding of the business through the provision of appropriate information to non-executive directors, and leading to more fulfilling deliberations at Board of Directors' Meetings.
 - A yearly schedule of preliminary briefing sessions will be created to create opportunities for regular information provision, and the themes of informal meetings will be reviewed each year, with regular meetings to be held at least four times a year
 - The "main questions and opinions that should be shared" raised at preliminary briefing sessions are introduced at the Board of Directors' Meeting by the person in charge of the deliberation agenda or report
 - Important matters discussed at the Audit, etc. Committee are shared with outside members of the Board of Directors other than the Committee members, and minutes are also distributed to other committees (e.g. the Sustainability Committee)
- The Board of Directors' Meeting materials should include an analysis of the expected risks and countermeasures, particularly the factors and countermeasures for the negative aspects.
- The "Formulation of the Annual Business Plan" and "Formulation of the Medium-Term Management Plan" should be discussed regularly, and a forum for discussion of the content of the plans and management strategies should be established.

Skills matrix

Name	Professional skills and experience required of members of the Board of Directors * Maximum of three							
	Business strategy	Technology and R&D	Internationality, global experience	Human resources development	Environment and society	Legal affairs, compliance	Finance and accounting	Governance, risk management
Shigenobu Nagamori	○	○						○
Mitsuya Kishida	○		○					○
Hiroshi Kobe	○	○						○
Kazuya Murakami			○			○	○	
Hiroyuki Ochiai			○		○			○
Shinichi Sato	○						○	○
Yayoi Komatsu		○		○	○			
Takako Sakai				○		○	○	
Aya Yamada			○	○		○		
Hiroe Toyoshima			○			○		○
Kunio Umeda			○		○			○

2 Audit and Supervisory Committee

The Audit and Supervisory Committee audits the execution of duties by the Board of Directors' members, and receives audit reports from the Accounting Auditor.

Composition of members and the chairperson

	Total committee members	Full-time members	Internal Members of the Board of Directors	Outside Members of the Board of Directors	Chairperson
Composition	5	2	2	3	Internal member of the Board of Directors

Cooperation between the Audit and Supervisory Committee and accounting auditors

In addition to quarterly meetings, the Audit and Supervisory Committee and the accounting auditors meet about two or three times a year whenever necessary. In these meetings, they exchange information and opinions on audit results, audit systems, audit plans, audit implementation status and the like.

Cooperation between the Audit and Supervisory Committee and the internal audit department

The Corporate Administration & Internal Audit Department, Nidec's internal audit department, regularly hold meetings with the Audit and Supervisory Committee to report on the results of the Nidec Group's internal audits. In addition, the Audit and Supervisory Committee exchanges opinions and shares information with the Corporate Administration & Internal Audit Department as necessary, and requests the Corporate Administration & Internal Audit Department to conduct on-site audits.

3 Nomination Committee

The committee is headed by Takako Sakai, an outside member of the Board of Directors, and consists of two internal members and three outside members of the Board of Directors. The committee deliberates on matters such as the policy and criteria for the selection of directors and executive officers, as well as succession plans and ideas for the selection of candidates for the positions of directors, president and executive vice presidents.

4 Remuneration Committee

The committee is headed by Aya Yamada, outside member of the Board of Directors, and consists of two internal members and three outside members of the Board of Directors. The committee deliberates on matters such as the formulation of remuneration decision policies related to executive remuneration, and the design of remuneration systems (establishment of performance targets, the rationality of performance-linked remuneration, the appropriateness of remuneration structure, and individual remuneration amounts based on remuneration systems).

Policies on remuneration for Members of the Board of Directors

1. Basic policy

The remuneration for Nidec's directors is determined based on the following policy, to enhance the company's global competitiveness and secure the sustainable growth of its businesses.

- Increase motivation toward improving corporate value;
- Contribute to securing talented managerial human resources; and
- Ensure that the level of the remuneration is appropriate for the scale and area of Nidec's businesses.

2. Composition of the remuneration

- Outside Members of the Board of Directors (excluding those who are members of the Audit and Supervisory Committee)
Fixed remuneration
- Founder and Chairman of the Board
Fixed remuneration
- Members of the Board of Directors (excluding those who are Outside Members of the Board of Directors and members of the Audit and Supervisory Committee)
Fixed remuneration : Variable remuneration (bonuses) : Performance-linked share-based remuneration = 3:1.5:1

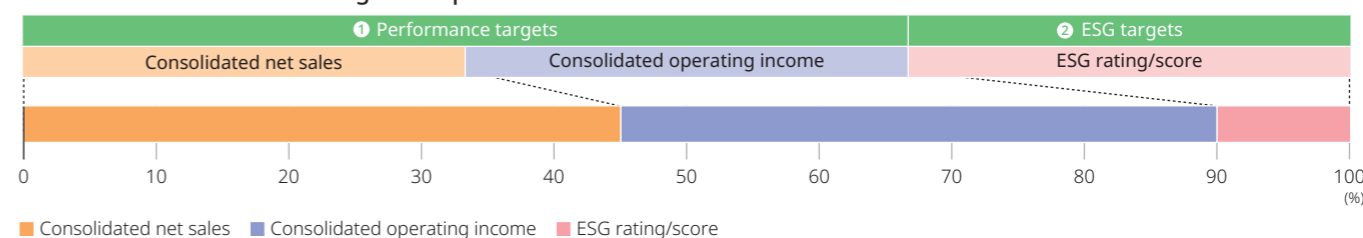
Remuneration type	Description	Payment method
Fixed remuneration	• Determined based on job rank	Monthly in cash
Variable remuneration (bonuses)	• Degree of achievement of the target consolidated net sales and consolidated operating profit of the previous fiscal year • Taking into consideration the performance of the directors • Variable within a range from zero to twice the median of variable remuneration	Monthly in cash
Performance-linked share-based remuneration	• Each year, points are provided based on the standard amount for each position multiplied by a performance-linked coefficient*. * Points are pointed within a range from 0% to 200% depending on the degree of achievement of the previous year's consolidated sales, operating income targets and the number of stocks that achieved their ESG evaluation targets. • After three fiscal years, the company's shares equivalent to the accumulated points and the amount of money equivalent to the shares converted into cash are provided and paid	After three fiscal years (shares and money)

Reflecting ESG targets in performance-linked compensation for directors

From 2024, a performance-linked coefficient will be incorporated into the performance-linked share-based remuneration for directors (excluding the Founder and Chairman of the Board, outside members of the Board of Directors, and directors who are members of the Audit, etc. Committee) in accordance with the degree

of achievement of performance targets in a single fiscal year, etc. The degree of achievement of ESG targets will be determined based on the ESG rating or score of the Company by MSCI, FTSE, and CDP, and will be reflected in the performance-linked coefficient.

Evaluation indicators and weights for performance-linked coefficients



3. Procedure to decide the remuneration amounts

The amounts of fixed and variable remunerations for individual directors (excluding members of the Board of Directors who are members of the Audit and Supervisory Committee) are determined by the Board of Directors based on reports submitted by the Remuneration Committee, which is a voluntary advisory

body, in accordance with the criteria specified by this policy. Similarly, the details of the performance-linked share-based remuneration are determined by the Board of Directors based on reports submitted by the Remuneration Committee.

Total amount of remuneration by category of directors and by type of remuneration, and the number of eligible directors

Category	Total amount of remuneration (million yen)	Total amount by type of remuneration (million yen)				Number of eligible persons
		Fixed remuneration	Variable remuneration	Performance-linked remuneration	Retirement benefits	
Members of the Board of Directors (excluding those who are members of the Audit and Supervisory Committee and outside members of the Board of Directors)	139	139	—	—	—	2
Audit and Supervisory Committee members (excluding outside members of the Board of Directors)	38	38	—	—	—	2
Outside directors	56	56	—	—	—	7

* The introduction of the performance-linked share-based remuneration system was resolved at the 45th Annual General Meeting of Shareholders held on June 20, 2018. The amounts of expenses recorded for the fiscal year under review according to the Japanese standard are provided above. Outside members of the Board of Directors are not covered by the system.

4. Forfeiture, etc. of remuneration (clawback/malus)

The amounts of fixed and variable remunerations may be reduced if the recipient has caused serious damage to the company by obtaining the consent of the recipient. Based on the performance-linked share-based compensation plan, if any individual to be issued shares

Chairperson Internal Member of the Board of Directors should, on or after the day when his/her right to receive compensation is finalized, commit an illegal action such as a material violation of his/her duties or internal rules/ regulations, the company may request that the individual pay restitution.

5 Various committees

Name	Description
Information Security Committee	The Information Security Committee is placed under the Board of Directors to formulate basic policies concerning information security, as well as to monitor the status of implementation of various information security measures and provide instructions.
Compliance Committee	The Compliance Committee is placed under the Board of Directors to discuss and decide basic compliance policies and measures, as well as to monitor the status of implementation of various compliance measures and provide instructions for improvement. The Compliance Committee meets once every three months.
Risk Management Committee	The CSR Committee is placed under the Board of Directors and is headed by Akinobu Samura, Senior Vice President (chief financial officer) in charge of CSR, who has been appointed by the Board of Directors as the chairperson. The chairperson and the committee members appointed at each site discuss and make decisions on CSR activity policies and annual plans and other important matters. Matters decided at the CSR Committee meetings are reported, or discussed if necessary, at the Board of Directors' meeting, and are put into action by the Investor Relations & CSR Promotion Department, which serves as the dedicated secretariat, in cooperation with business sites inside and outside of Japan.

6 Monthly Executive Meeting

The Monthly Executive Meeting is held once a month, and under the direction of the President, all executives share important management issues and confirm the direction of management while aligning their intentions.

7 Executive Management Meeting

The Executive Management Meeting is held twice a month and, as the decision-making body for the execution of business, it deliberates on matters to be discussed at the Board of Directors' Meeting and important management issues in advance.

8 Sustainability Committee

The Sustainability Committee is held four times a year, and under the majority of outside members of the Board of Directors, it supervises the execution of business related to sustainability and reports to the Board of Directors' Meeting.

[More Info](#) [P.50 Environment Strategy \(Governance\)](#)

Support systems for Outside Members of the Board of Directors

The General Affairs Department, which acts as the secretariat for the Board of Directors, supports the Outside Members of the Board of Directors. The General Affairs Department provides the outside directors with the company's information in a timely manner, and corresponds to their inquiries through day-to-day communication. With regard to the meetings of the Board of Directors, the General Affairs Department provides all members of the Board of Directors with materials related to the proposals for the meetings and accounting information, at the latest one day before the day of the meeting. In addition, assistance is provided by the Corporate Administration & Internal Audit Department, Nidec's internal audit department, to Outside Members of the

Board of Directors who are Audit and Supervisory Committee Members. When a meeting of the Audit and Supervisory Committee is held, meeting notices are sent out to all the Audit and Supervisory Committee Members by three days prior to the day of the meeting, while documents related to the proposals to be deliberated in the meeting of the Audit and Supervisory Committee are sent to the members, at the latest one day before the meeting. After a meeting of the Audit and Supervisory Committee, meeting minutes are sent to all Audit and Supervisory Committee Members. Furthermore, for Outside Members of the Board of Directors who are Audit and Supervisory Committee Members, various information is reported and provided as necessary by full-time Audit and Supervisory Committee Members and Nidec's executive officers.

Outside members of the Board of Directors who are not members of the Audit and Supervisory Committee have informal meetings with the Audit and Supervisory Committee members, where various information is provided by Nidec's executive officers. They also conduct on-site inspections of the business sites and group company in Japan, in person or online.

Reasons for appointment and major activities of Outside Members of the Board of Directors

Name	Reasons for appointment	Status of attendance (number of meetings attended)				Activities
		Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee	
Shinichi Sato	Mr. Sato has held prominent posts at the Ministry of Finance of Japan and other organizations. He will provide Nidec with advice on its overall business operations based on his high level of expertise, which will further enhance the company's corporate governance function. Since he meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between him and ordinary shareholders, and therefore designated him as an independent director.	21/26	—	—	2/2	He actively made statements at meetings of the Board of Directors drawing on his superior insight in finance and accounting and abundant experience and superior insight in a wide range of fields including economics, fiscal affairs and monetary policy. He also served as a member of the Remuneration Committee, which was set up as an advisory body to the Board of the Directors of the Company. He played an important role in ensuring transparency in the process of determining remuneration for Members of the Board of Directors and determining whether remuneration is appropriate. Through these activities, he strives to supervise the management team from an independent and objective standpoint.
Yayoi Komatsu	Ms. Komatsu has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan and other organizations. She will provide Nidec with advice on its overall business operations based on her high level of expertise, which will further enhance the company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders, and therefore designated her as an independent director.	22/26	—	1/1	—	Ms. Komatsu actively provides opinions at the Board of Directors' meetings by drawing on her abundant experience and superior insight in a wide range of fields, including technical research and development as well as human resource development. She serves as a member of the Nomination Committee, which was set up as an advisory body to the Board of Directors of the Company, and plays an important role in determining selection policy and criteria and proposals of candidates for directors and executive officers, etc. She thus supervises the management team from an independent and objective standpoint.
Takako Sakai	Ms. Sakai is currently a professor at the Graduate School of Law, Osaka Metropolitan University. She will provide Nidec with advice on its overall business operations based on her high level of expertise as a university professor, which will further enhance the company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders, and therefore designated her as an independent director.	23/26	—	1/1	2/2	Ms. Sakai actively provides opinions at the Board of Directors' meetings, based on her sophisticated academic and professional knowledge in the tax and accounting fields as a university professor. As chair of the Nomination Committee, which was set up as an advisory body to the Board of the Directors of the Company and as a member of the Remuneration Committee, she plays an important role in determining selection policy and criteria and proposals of candidates for directors and executive officers, etc., and ensuring transparency of the process to decide remuneration for directors and determining the adequacy of their remuneration. She thus supervises the management team from an independent and objective standpoint.
Aya Yamada	Ms. Yamada is currently a professor at the Graduate School of Law, Kyoto University. Her advice, based on her high-level expertise as a university professor from an independent position, will help the Board of Directors strengthen its decision-making and audit and supervisory functions. To promote education and research, Nidec donates money to the endowed course "Advancing Electrical Equipment to Realize a Friendly Global Environment" at Kyoto University Graduate School of Engineering. The amount of the donation was 45 million yen in fiscal 2018 (compared to the total amount of donation to the University during the same fiscal year, 5,163 million yen), 39 million yen in fiscal 2019 (compared to 5,352 million yen), 39 million yen in fiscal 2020 (compared to 5,766 million yen), 39 million yen in fiscal 2021 (compared to 5,416 million yen), and 49 million yen in fiscal 2022. The donation in FY2022 includes a donation for the 125th anniversary of the University. We consider that in any year the amount of our donations is insignificant compared to the total amount donated to the University. In addition, there is an agreement for joint research between Nidec and the University's Graduate School of Engineering, and Nidec paid 18 million yen in research expenses to the University in the previous fiscal year (FY2022). Given that Ms. Watanabe's department is not the one to which Nidec made its donations or paid expenses and that Ms. Watanabe is not in a position to represent the University, Nidec believes there is no conflict of interest between Nidec and Ms. Watanabe, and therefore there is no problem regarding her independence.	24/26	14/16	1/1	2/2	She actively made statements from an independent and objective standpoint at meetings of the Board of Directors and the Audit and Supervisory Committee, drawing on her sophisticated, academic and professional knowledge in the legal field as a university professor, and fulfills the management supervisory function. She also contributed to the Audit and Supervisory Committee's audits of the execution of duties by Members of the Board of Directors as an Audit and Supervisory Committee Member. She served as a member of the Nomination Committee and a member of the Remuneration Committee, which were set up as advisory bodies to the Board of the Directors of the Company. She played an important role in determining the selection policy, selection criteria, candidates to the offices of Members of the Board of Directors, Executive Officers, etc., and in ensuring transparency in the process of determining remuneration for Members of the Board of Directors and determining whether remuneration is appropriate. Through these activities, she strives to supervise the management team from an independent and objective standpoint.
Hiroe Toyoshima	Ms. Toyoshima currently practices as an attorney. Her advice, based on her high-level expertise as an attorney, on Nidec's overall business operations will further enhance the Company's corporate governance function. Since she meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between her and ordinary shareholders and therefore designated her as an independent director.	20/20	12/12	—	—	She actively made statements from an independent and objective standpoint at meetings of the Board of Directors and the Audit and Supervisory Committee, drawing on her abundant experience and expertise in fields including corporate legal affairs, compliance and M&A as an attorney-at-law, and fulfills the management supervisory function. She also contributed to the Audit and Supervisory Committee's audits of the execution of duties by Members of the Board of Directors as an Audit and Supervisory Committee Member.
Kunio Umeda	Mr. Umeda has served in key positions at the Ministry of Foreign Affairs, such as Ambassador to Brazil and Vietnam. He is expected to provide valuable suggestions and opinions for the Company's overall business matters, drawing on his extensive international experience and broad insight as a diplomat, and appropriately fulfill his role in supervising the execution of business at the Company. Since he meets all the requirements for independent directors from the past to the present in accordance with the regulations of the Tokyo Stock Exchange, Nidec judged that there were no potential conflicts of interest between him and ordinary shareholders, and therefore designated him as an independent director.	—	—	—	—	—

Internal control

Management and enforcement of internal control

Materiality

Based on the assumption of 4 trillion yen for sales volume, enhance audit resources in both quality and quantity



Corporate Governance

Background to the identification of materiality

As the NIDEC Group expands, there is a risk that it will become difficult to sufficiently guarantee the reliability of financial reporting figures unless the quality and quantity of internal audit resources are improved.

Initiatives in FY2023

The Nidec Group commits itself to enhancing its management soundness and transparency by establishing a compliance system generally required of a listed company in Japan, and clarifying its risk management responsibilities. Specifically, through the auditing activities of the Corporate Administration & Internal Audit Department, the Group aims to maintain and improve the effectiveness of its internal control over financial reporting required by Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act. In addition, the Legal & Compliance Department, the Risk Management Committee, and the Information Security

Corporate governance of Group companies

The Nidec Group companies operate under Nidec's mission statement and policies, and therefore they are incorporated in Nidec's internal control system. The Group companies, to which Nidec sends some directors and employees, have sufficient

Cross-shareholding

Policy for cross-shareholding

Nidec holds shares in the companies that Nidec has relationships with in terms of trading and cooperation in its business and other areas, when it judges that such shareholding contributes to the company's corporate value expansion through stabilization of its business from a medium-to-long-term perspective by maintaining and strengthening its relationship with those companies. Nidec assesses its cross-held shares individually at the Board of Directors meeting every year, on not only qualitative aspects such as the purpose of the shareholding, but also on quantitative aspects such as the benefits that can accrue through the shareholding from the perspective of economic rationality. According to the results of the assessment, Nidec intends to reduce the number of shares it holds if the crossheld shares are not expected to bring significant benefits.

Criteria for exercising voting rights for cross-shareholding

With regard to the exercise of voting rights in relation to cross-shareholdings, Nidec makes comprehensive

Committee are organized under the Board of Directors, under which the Legal & Compliance Office, the Risk Management Office, and the Information System Department, are placed as the secretariat respectively, working to create a corporate culture and enhance management systems for internal control.

In order to establish a highly effective global internal audit system based on the assumption of sales of 4 trillion yen in FY2025, it is essential to further sophisticate and improve the efficiency of internal audit operations. To address this, from FY2023 we have worked to prevent errors in financial reporting and to visualize risk areas and deepen audit procedures by strengthening the voluntary on-site audit system at all NIDEC Group locations and implementing monitoring of all consolidated companies using DX.

Toward the future

We will continue to expand the scope of our work and improve the efficiency and sophistication of our auditing operations using DX. We will also focus on improving the quality of our human resources, for example by training auditors with specialist qualifications, language skills and a deep understanding of the business environment. Furthermore, although the NIDEC Group is currently covered by a global auditing system with five bases in Japan (Kyoto), Europe (Amsterdam), the Americas (St. Louis), China (Shanghai), and Asia (Singapore), we will continue to expand the number of auditors in line with the increase in the number of bases to be audited due to the expansion of the Group.

discussions before making decisions on business execution that correspond to the circumstances of each company, based on specialists' opinions as necessary, thereby endeavoring to assure their independence.

decisions to vote for or against individual proposals to serve the investees' sustainable growth from the perspective of whether appropriate governance and compliance structures are in place at investee companies.

(Basic views on exercising voting rights)

With regard to the individual proposals submitted to the shareholders' meetings of the companies Nidec invests in, Nidec decides to vote for or against after confirming the following points: whether the proposals suit the purposes of the shareholding which are to maintain and strengthen the trade and cooperation relationships through medium-to-long-term investment; and particularly, whether there are any circumstances that might lead to undermining of the shareholders' value due to the restructuring of organizations, including asset transfer and mergers. Nidec opposes all proposals that are considered to violate the law or constitute antisocial behavior, in all circumstances.

Follow thorough compliance with laws and regulations

Materiality

- Expand the legal affairs and compliance system to all Group companies starting from Nidec Corporation and the regional management companies (China, the U.S. and Europe)
- Identify serious non-compliance risks and take priority measures
- Provide compliance education to all employees of NIDEC Corporation once a year



Corporate Governance

Background to the identification of materiality

The Nidec Group sees non-compliance as a material risk that may lead to a loss of social trust and economic damage. Therefore, the Nidec Group comprehensively follows applicable laws, regulations, internal rules and standards, social ethical standards, etc. to raise executives' and regular employees' ethical awareness, develop conscience as a company, and win society's trust as we continue our compliance activities.

At present, we are working to establish and enhance a global compliance system that will enable us to address individual issues and cases arising in different regions more promptly and appropriately. We will also strengthen compliance education for employees to further raise their compliance awareness, thereby reducing compliance-related risks.

Initiative in FY2023

The Nidec Group currently has over 300 group companies in 40 countries around the world. We recognize that building a governance system for these globally distributed group companies is a crucial task in ensuring compliance. In particular, based on our past experience, we see difficulty in identifying the risks of small companies located far from major bases. Therefore, we launched a hazard map project in FY2021 with the aim of preventing compliance risks from arising at these remote small sites. In this project, we constantly identify high-risk group companies based on their distance from major sites and the information on the risk of corruption in countries where they are operating and implemented specific prevention measures in consultation with the management of such companies and other risk reduction activities. In FY2023, we also conducted human rights due diligence at the bases covered by the hazard map, and confirmed that there was no forced labor or child labor in the NIDEC Group.

Toward the future

Over the course of the three-year hazard map project, we have been able to visualize the risks faced by small companies and implement specific preventative measures. From now on, we will strengthen our face-to-face compliance seminars even further, actively listen to the opinions of our employees, and thoroughly prevent small problems from becoming big problems.

Organization

Nidec's Legal & Compliance Department, working in partnership with Regional Compliance Officers of the individual regions where the Nidec Group's business bases operate (the Americas, China, Europe, and Southeast Asia) and Compliance Managers and Promoters of individual business departments and group companies, builds and operates a global compliance system. Compliance Managers implement and operate compliance-related measures to raise the compliance awareness of the organizations under their supervision, and bear responsibility for preventing compliance violations. Compliance Promoters promote the specific compliance measures of such organizations, while serving as a liaison with the Legal & Compliance Department and Regional Compliance Officers, who provide support for individual regions' Compliance Managers and accept whistleblowing cases.

Internal reporting system

As part of the comprehensive, group-wide compliance system, we have established an internal reporting section (the Nidec Global Compliance Hotline) available for all board members, executives and employees (including regular and part-time employees, those dispatched from outside agencies, limited-term employees, and those who have retired from the Nidec Group within a year), and a third-party contact point outside the company. We also have an internal reporting hotline, "NAVEX", operated by an external vendor, which is available to directors, officers and employees of our offices in Europe and the United States. These internal reporting hotlines encourage officers and employees to report and raise issues related to accounting fraud, bribery, occupational safety, harassment, and other violations of laws, internal regulations and ethics. The hotline is available in multiple languages, and regional compliance officers in Japan, the United States, China, Europe, and Southeast Asia receive reports, and in cooperation with the Legal and Compliance Department of NIDEC Corporation, they conduct investigations and take corrective measures. To the extent possible, the results of investigations into the content of reports are communicated to the person who made the report. In addition, it is possible to make a report anonymously, and the reporter will not be disadvantaged for making the report.

In resolving the issue, we will respect the reporter's wishes as much as possible, and after confirming the facts through interviews with the relevant parties and conducting an investigation, we will strive to take appropriate measures and prevent recurrence.

Furthermore, the status of internal reports from the officers and employees of our group is regularly reported to the Board of Directors' Meeting and the Audit Committee.

	FY2020	FY2021	FY2022	FY2023
Nidec Global Compliance Hotline	116	125	119	103
NAVEX	107	218	235	312

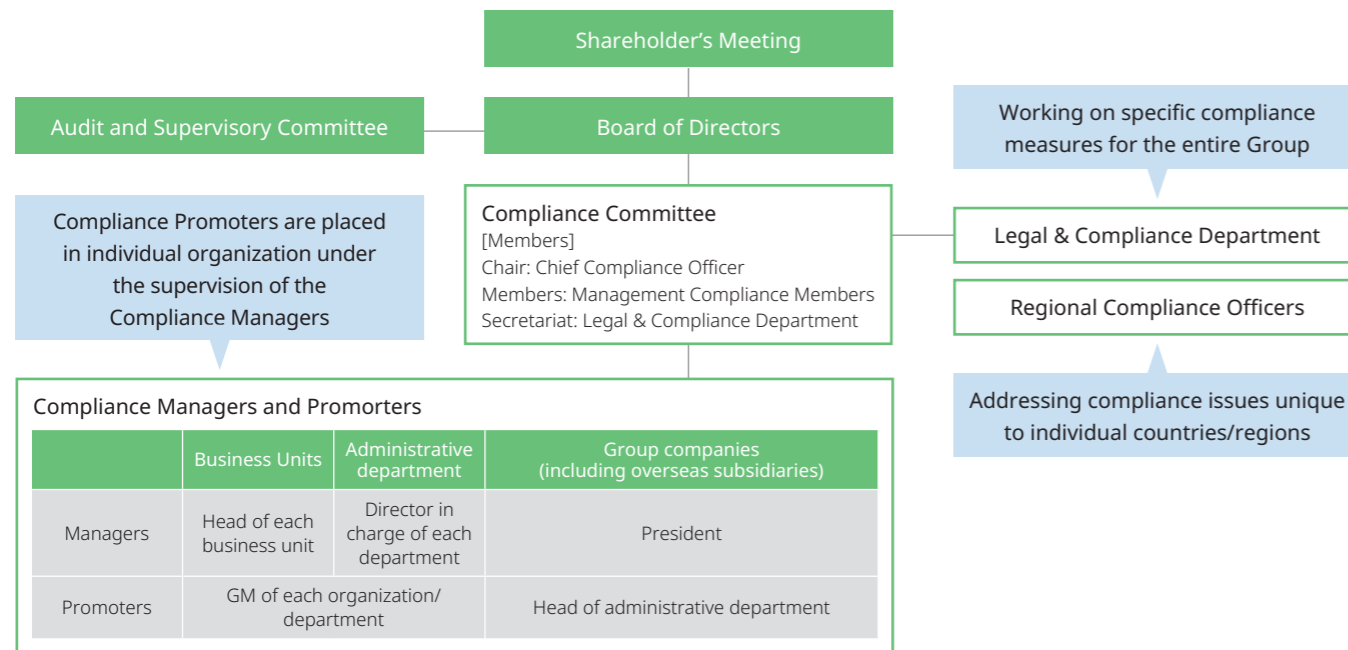
* Although NAVEX was previously mainly used at NIDEC Group bases in Europe and the United States, the NIDEC Global Compliance Hotline Regulations were revised in April 2024 to clearly state that NAVEX is also covered by these regulations. For this reason, the number of reports received through NAVEX is also disclosed from FY2023.

Compliance seminars

As part of the compliance promotion activities, we hold compliance seminars for our group's executives and employees to maintain and improve their level of compliance awareness. For example, seminars and discussions are held on such topics as cartels,

bribery and human rights issues, with the Regional Compliance Officers serving as lecturers using the Nidec Compliance Handbook as teaching material. The compliance seminar for board members and executives is also held once a year, with the invitation of an outside lecturer.

The NIDEC Group's global compliance system



Risk Management

Materiality Initiatives

Build a risk management system

Materiality

- All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified
- Reduce the impact of the risks to be addressed in priority on our business. Manage the progress of reducing such impact and the residual risks



Corporate Governance

Background to the identification of materiality

If the department responsible for appropriately managing risks is not identified, or if risk assessments are not carried out and risks that should be dealt with as a priority are not identified, it will be impossible to take appropriate action in the event of unexpected circumstances, and there is a possibility that this could have a serious impact on the business. The NIDEC Group is working to ensure business continuity by taking a global perspective and looking at both medium- to long-term risks and day-to-day risks that could affect the business. To this end, we have established a system for investigating and evaluating risk events while confirming the effectiveness of current countermeasures.

Initiatives in FY2023

We carefully examined whether the risk events that each department in charge of risk management is evaluating reflect changes in the internal and external business environment and customer requests. We also narrowed down the risk events to be evaluated in order to reduce the workload of risk evaluators.

Toward the future

In addition to regular monitoring of the Key Risk Indicators (KRI) established for the major risks identified in the risk assessment, we will also report on the issues and countermeasures for individual matters at the Board of Directors' Meeting and Executive Management Meeting, and verify the effectiveness of risk management activities across the entire NIDEC Group.

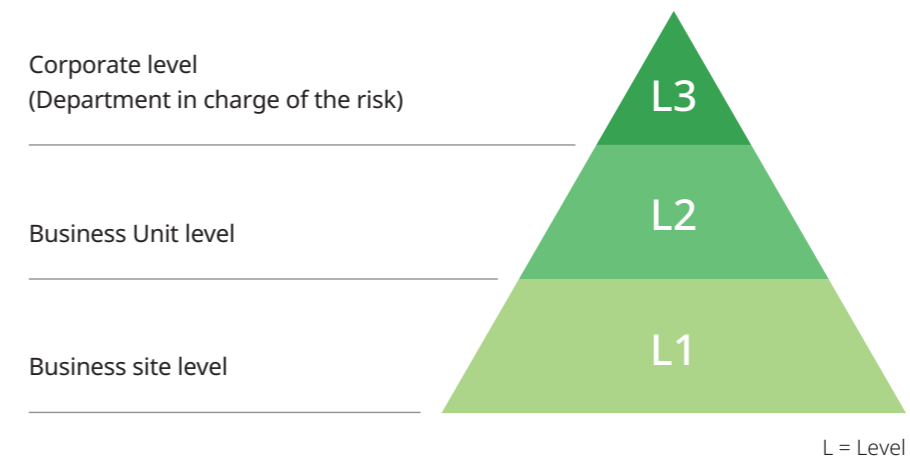
Risk Investigation and Assessment Activities

At each of the levels shown in Figure 1, the general manager of the business site, the general manager of the department, and other persons designated by the Risk Management Committee, which is an advisory body for risk management in the NIDEC Group, regularly investigate and assess risk events that could affect business operations. The risk events to be investigated and assessed are broadly classified into the following four categories.

- Management strategy risk
- Business operation risk
- Governance risk
- Contingency risk

When investigating and evaluating risks, we check the current status of risk management activities and risk reduction measures, monitor residual risks, and use the results in measures at other levels. For example, we are promoting the inter-relationship of tiered risk management activities, such as checking the content of risks identified at L2 at L3, and if we find issues that must be improved across the entire group, we will reflect them in L3 risk management activities as appropriate.

Risk Investigation and Assessment Activities (Figure 1)



List of especially significant risks

Of the risk events that were evaluated at L3 in FY2023, the “especially significant risks” that are considered to have a significant impact on our business are as shown in Figure 2. For details of other business risks and countermeasures, please refer to the Annual Securities Report, 51st Term (submitted on June 19, 2024).

The risk level is the result of evaluating the likelihood of occurrence and the severity of the consequences on a scale of 1 to 5, and then applying them to the matrix in Figure 3, which is divided into four levels: serious, high, medium, and low.

Especially significant risks (Figure 2)

Risk classification	Risk details	Main countermeasures	Risk Level
1. Management strategy risks			
Risks related to political and economic downturns	Unexpected economic fluctuations or stagnation in the countries or regions where our products are produced or consumed, or deterioration in political or policy trends	<ul style="list-style-type: none"> Reduce risks and maximize business opportunities by promoting the opening of business sites (local sales and development activities) and local production for local consumption (local production and sales activities) Reduce dependence on business models of existing businesses through timely confirmation and review of the business portfolio, and promote business and organizational renewal for sustainable corporate growth 	High
Risks related to changes in the technological environment and industrial structure	Changes in demand against the backdrop of technological change, and changes in customer trends that exceed our expectations	<ul style="list-style-type: none"> Accelerate business portfolio conversion, such as concentrating resources on new products 	High
Risks related to competition	<ul style="list-style-type: none"> Changes in the market environment, such as the maturation of existing markets and the obsolescence of technology Changes in competitive relationships, such as intensifying competition, new entries by other companies, and changes in competitors' strategies 	<ul style="list-style-type: none"> Maintain and increase investments in R&D fields, and expand manufacturing, sales and marketing capabilities Timely launch of new products Further improve profitability of existing products Reduce costs to ensure profitability 	High
Risks related to prior investments for anticipated customer demands	<ul style="list-style-type: none"> Obsolescence of equipment due to technological innovation, excess inventory, and excess labor Insufficient CAPEX due to underestimation of demand 	<ul style="list-style-type: none"> Consider thoroughly the necessity, recoverability, and amount of investment in the process of deciding on capital investment Confirm progress against the plan monthly and consider appropriate measures/minimize loss risk Minimize damage to economic value due to obsolescence Reduce financial risk by minimizing the amount of investment 	High
Risks related to M&A	<ul style="list-style-type: none"> Deterioration in the performance of acquired businesses, loss of key personnel Damage caused by inadequate prior investigation (due diligence) 	<ul style="list-style-type: none"> Select companies to be acquired in line with NIDEC's business strategy Purchase at a reasonable price following thorough preliminary investigation Prompt and thorough post-acquisition PMI Increase the corporate value of the acquired company and minimize the risk of goodwill impairment while deeply instilling NIDEC's management philosophy and management methods in all employees and creating synergies upon entering the Group 	Serious
2. Business operation risks			
Risks related to recruiting and retaining highly skilled personnel	Lack of human resources with high levels of knowledge and skills for new markets	<ul style="list-style-type: none"> Gradually introduce three human resources system reforms (evaluation system, grading system, and compensation system) Hire highly specialized human resources, secure management personnel, and strengthen development processes 	Medium

Risk Level Identification Matrix (Figure 3)

Severity of the consequences		Likelihood of occurrence				
		5	4	3	2	1
		(At least once a year)	(At least once every three years)	(At least once every five years)	(At least once every ten years)	(At least once every thirty years)
Severity of the consequences	5 (A major problem that could threaten the continuation of the business)	Serious	Serious	Serious	Serious	High
	4 (A wide-ranging or long-term impact on business activities)	Serious	Serious	Serious	High	Medium
	3 (Either a wide-ranging or long-term impact on business activities)	Serious	High	High	Medium	Low
	2 (A limited and short-term impact on business activities)	High	High	Medium	Low	Low
	1 (To the extent there is almost no impact on business activities, or to the extent that it can be resolved immediately)	Medium	Medium	Low	Low	Low

Promote information security measures

Materiality

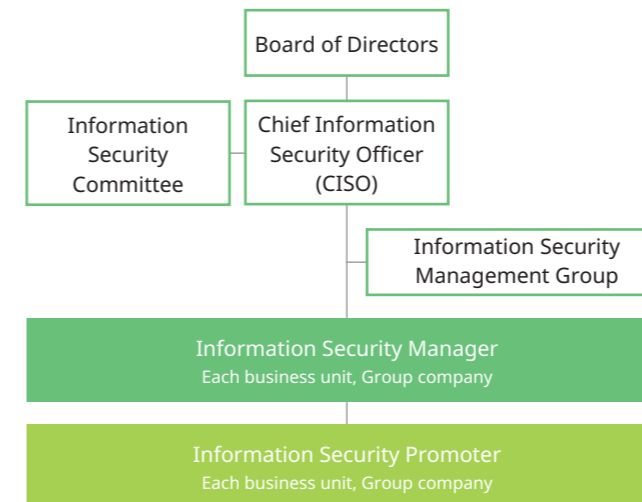
- Reduce the number of serious information security incidents to zero



Background to the identification of materiality

The NIDEC Group possesses information necessary for conducting business activities, including information generated and collected by the company itself as well as information received from business partners and other sources. For this reason, we recognize the importance of appropriately protecting and using these information assets. The information we protect includes management information, technical information, financial information, and personal information, all of which are of great importance. If any of this information is damaged or leaked, we will lose the trust of our customers and the market, our competitive advantage will decline, and we may also be subject to legal penalties. We will work to prevent serious security incidents from occurring by identifying and evaluating the changing and increasing information security risks and taking effective measures in response to those risks.

Information security structure



Initiatives in FY2023

In addition to our existing efforts to prepare for external threats such as cyber attacks, we also took steps to address “Insider Threat”. One of the causes of information leaks from within the company is

“negligence” on the part of employees, who are careless or disregard internal rules. In order to prevent information leaks caused by this, we repeatedly conducted education and awareness-raising activities that included the seriousness of the consequences of carelessness and actions that deviate from the rules, and worked to ensure that they were understood. We also worked to introduce a system to deter and detect malicious acts by internal parties. In FY2023, there were no major accidents caused by cyber attacks or other incidents.

Toward the future

Based on the cyber attacks experienced in FY2024, the NIDEC Group will work to achieve and continuously improve high-level and uniform information security measures throughout the entire NIDEC Group under the direction of the Information Security Committee, which is constituted by NIDEC Group executives.

Strengthening physical security

Unlike cyber space, where offices are connected by networks, physical security measures such as locking, authentication, monitoring and recording have been implemented at each office to ensure that only authorized personnel can enter the relevant section, depending on the level of confidentiality. However, by establishing standard guidelines for the NIDEC Group, we will be able to ensure uniform security at all of our business sites.

Incident Response

In the case of an information security incident occurring within the NIDEC Group, we will establish standards for setting up an emergency response team, the organizations that will participate in the team, the roles of the team leaders, and the items and procedures that should be addressed, and we will develop these as standards for the NIDEC Group. We will also verify the practicality and effectiveness of the content described by conducting exercises and training in accordance with the established procedures. Through these activities, the NIDEC Group will be able to respond to emergencies in a uniform, comprehensive and timely manner.

We will continue to make improvements to achieve appropriate information security management that supports the business of the entire NIDEC Group by gradually standardizing the countermeasures that have been implemented by each company in the Group to date.

Management (as of August 1, 2024)

Board of Directors



Shigenobu Nagamori
 Founder and Chairman of the Board
 Nominating Committee Member
 Remuneration Committee Member

(Born on August 28, 1944)
 Number of the Company's shares possessed: 49,473,000

Career summary

July 1973 Founded Nidec Corporation, Representative Director, Chairman of the Board and President Chief Executive Officer (CEO)
 October 2014 Representative Director, Chairman of the Board and President Chief Executive Officer (CEO)
 June 2018 Representative Director and Chairman Chief Executive Officer (CEO)
 June 2021 Representative Director and Chairman
 April 2022 Representative Director and Chairman Chief Executive Officer (CEO)
 April 2024 Founder and Executive Chairman
 Jun 2024 Founder and Chairman of the Board (current position)

Significant concurrent positions
 Nagamori Gakuen Educational Foundation



Mitsuya Kishida
 Representative Director and President
 CEO (Chief Executive Officer)
 Nominating Committee Member
 Remuneration Committee Member
 Sustainability Committee Member

(Born on February 7, 1960)
 Number of the Company's shares possessed: 0

Career summary

April 1983 Sony Corporation (currently, Sony Group Corporation)
 April 2018 Representative Director and President, Sony Mobile Communication Inc
 April 2021 Senior Vice President, NIDEC
 January 2022 First Senior Vice President
 July 2022 Executive Vice President
 April 2023 President
 April 2024 Chief Executive Officer (CEO) (current position)
 June 2024 Representative Director and President (current position)

Significant concurrent positions
 Member of the Board of Directors and Chairman:
 Nidec Mobility Corporation
 Nidec Powertrain Systems Corporation
 Nidec Eleysys Corporation



Hiroshi Kobe
 Member of the Board of Directors and Chairman

(Born on March 28, 1949)
 Number of the Company's shares possessed: 948,000

Career summary

July 1973 Participated in the foundation of Nidec Corporation
 March 1982 GM, Sales Dept
 November 1984 Member of the Board of Directors
 November 1991 Member of the Board of Directors and Senior Vice President
 April 1996 Member of the Board of Directors and First Senior Vice President
 April 2000 Member of the Board of Directors and Executive Vice President
 April 2005 Chief Operating Officer (COO)
 June 2006 Representative Director and Executive Vice President
 June 2015 Representative Director and Vice Chairman Chief Sales Officer (CSO)
 June 2020 Vice Chairman
 May 2022 Chief Performance Officer (CPO)
 June 2022 Representative Director and Vice Chairman
 September 2022 Chief Operating Officer (COO)
 April 2024 Member of the Board of Directors and Chairman (current position)

Significant concurrent positions

In charge of managing 3Q6S
 Chairman of Nidec Techno Motor Corporation
 Director of Nidec Advanced Motor Corporation
 Director of Nidec Global Service Corporation



Kazuya Murakami
 Member of the Board of Directors
 Fulltime Audit and Supervisory Committee Member

(Born on January 18, 1955)
 Number of the Company's shares possessed: 4,000

Career summary

April 1977 The Ministry of Finance of Japan
 July 1983 Director, Ise Tax Office, Nagoya Regional Taxation Bureau
 July 1984 Executive Director's Assistant, International Monetary Fund
 June 1996 Director, Central Asia Team, European Bank for Reconstruction and Development (EBRD)
 July 2002 Director-General, the Fukuoka Local Finance Branch Bureau, the Ministry of Finance of Japan
 July 2004 Deputy Director-General, Minister's Secretariat (in charge of Customs and Tariff Bureau)
 July 2005 Board Director, EBRD
 July 2008 Director-General, the Kanto Local Finance Bureau, the Ministry of Finance of Japan
 August 2009 Executive Director, Organization for Small & Medium Enterprises and Regional Innovation, Japan
 June 2012 Fulltime Member of the Audit and Supervisory Board, Nidec Corporation
 February 2013 Registered as attorney-at-law, the Kyoto Bar Association
 June 2013 Vice President
 June 2017 Fulltime Member of the Audit & Supervisory Board
 June 2020 Member of the Board of Directors who is an Audit and Supervisory Committee Member (current position)

Significant concurrent positions

Auditor of Nidec Drive Technology Corporation
 Auditor of Nidec Techno Motor Corporation
 Auditor of Nidec Advance Technology Corporation
 Auditor of Nidec Machine Tool Corporation
 Auditor of Nidec Global Service Corporation
 Auditor of Nidec OKK Corporation
 Auditor of Takisawa Machine Tool Co., Ltd.
 Auditor of Nidec Machinery Corporation



Hiroyuki Ochiai
 Member of the Board of Directors
 Fulltime Audit and Supervisory Committee Member
 Sustainability Committee Member

(Born on July 3, 1959)
 Number of the Company's shares possessed: 1,000

Career summary

April 1983 The Ministry of International Trade and Industry of Japan (currently the Ministry of Economy, Trade and Industry of Japan (METI))
 July 2000 Director, Foreign Exchange and Trade Finance Division, Trade Bureau
 July 2002 Director-General, International Cooperation Department, New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization)
 July 2003 Director, Personnel Division, Japan Patent Office
 October 2005 Director, Trade Promotion Division, Trade and Economic Cooperation Bureau
 August 2006 Counsellor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan
 July 2008 Counsellor, Cabinet Secretariat, (Assistant Chief Cabinet Secretary)
 August 2010 Returned to Nidec Corporation
 August 2012 Director-General, Training Institute of Economy, Trade and Industry
 December 2012 Left METI
 March 2013 General Manager, General Affairs Department, Nidec Corporation
 June 2018 Fulltime Member of the Audit & Supervisory Board
 June 2020 Member of the Board of Directors who is an Audit and Supervisory Committee Member (current position)

Significant concurrent positions

Auditor of Nidec Instruments Corporation
 Auditor of Nidec Mobility Corporation
 Auditor of Nidec Powertrain Systems Corporation
 Auditor of Nidec Components Corporation
 Auditor of Nidec Precision Corporation
 Auditor of Nidec Advanced Motor Corporation
 Auditor of Nidec Eleysys Corporation



Shinichi Sato
 Outside Member of the Board of Directors
 Remuneration Committee Member

(Born on November 4, 1956)
 Number of the Company's shares possessed: —

Career summary

April 1980 The Ministry of Finance of Japan (Mof)
 July 1985 Director, Karatsu Tax Office, Fukuoka Regional Taxation Bureau
 July 1997 Deputy Director-General, the Embassy of Japan in the UK, the Ministry of Foreign Affairs
 July 2000 Director, the Administrative Management Bureau, the Management and Coordination Agency (currently the Ministry of Internal Affairs and Communications)
 July 2002 Budget Examiner for Education, Culture, Sports, Science and Technology, the Budget Bureau, the Ministry of Finance
 July 2003 Director, the Research Division, the Tax Bureau, the Ministry of Finance
 July 2004 Director, Indirect Tax Policy Division, the Tax Bureau, the Ministry of Finance
 July 2005 Director, Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance
 July 2006 Director, Secretariat Division, the Minister's Secretariat, the Ministry of Finance
 July 2009 Deputy Director-General, the Tax Bureau, the Ministry of Finance
 January 2010 Councilor, Cabinet Secretariat (Assistant Chief Cabinet Secretary)
 August 2011 Deputy Vice Minister for Policy Planning and Co-ordination, the Minister's Secretariat, the Ministry of Finance
 June 2013 Director-General, the Minister's Secretariat, the Ministry of Finance
 July 2014 Director-General, the Tax Bureau, the Ministry of Finance
 June 2016 Vice-Minister of Finance
 July 2017 Left Mof
 November 2017 Executive Consultant, Suntory Holdings Limited (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Executive Consultant, Suntory Holdings Limited



Yayoi Komatsu
 Outside Member of the Board of Directors
 Nominating Committee Member

(Born on March 23, 1959)
 Number of the Company's shares possessed: 0

Career summary

April 1981 The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan (MEXT))
 April 2001 Director, Early Childhood Education Division, Elementary and Secondary Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 April 2003 Director, Medical Education Division, Higher Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 July 2004 Counsellor to the Cabinet Office's Director-General for Science and Technology Policy (currently the Secretary of Science, Technology and Innovation Policy)
 July 2005 Director, Traditional Culture Division, the Cultural Properties Department, the Agency for Cultural Affairs
 April 2007 Director, the Director-General's Secretariat, the Agency for Cultural Affairs
 July 2009 Deputy Director-General, the Science and Technology Policy Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 July 2010 Director-General, the Cultural Affairs Department, the Agency for Cultural Affairs
 January 2012 Trustee and President, the Independent Administrative Institution National Museum of Art
 August 2015 Director-General, Research Promotion Bureau, the Ministry of Education, Culture, Sports, Science and Technology
 December 2016 Left MEXT
 May 2022 Executive Director, The National Museum of Modern Art, Tokyo (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Executive Director, The National Museum of Modern Art, Tokyo



Takako Sakai
 Outside Member of the Board of Directors
 Nominating Committee Member
 Remuneration Committee Member
 Sustainability Committee Chairman

(Born on August 28, 1972)
 Number of the Company's shares possessed: 0

Career summary

April 2002 Research Associate, Graduate School of Law, Kyoto University
 April 2003 Lecturer, Graduate School of Economics, Osaka Prefecture University
 March 2007 Completed Doctoral Program at Graduate School of Kyoto University and received a Doctor of Laws (LL. D.)
 October 2007 Associate Professor, Graduate School of Economics, Osaka Prefecture University
 April 2018 Professor, Graduate School of Economics, Osaka Prefecture University
 June 2020 Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member
 April 2022 Professor, Graduate School of Law, Osaka Metropolitan University (current position)
 June 2022 Outside Member of the Board of Directors, Nidec Corporation (current position)

Significant concurrent positions

Professor, Graduate School of Law, Osaka Metropolitan University



Aya Yamada
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Nominating Committee Member
 Remuneration Committee Member

(Born on February 12, 1967)
 Number of the Company's shares possessed: —

Career summary

April 1990 Research Associate, Faculty of Law, Tohoku University
 April 1995 Assistant Professor, Faculty of Law, Okayama University
 April 2003 Assistant Professor, Graduate School of Law, Kyoto University
 April 2006 Professor, Graduate School of Law, Kyoto University (current position)
 June 2020 Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member, Nidec Corporation (current position)

Significant concurrent positions

Professor, Graduate School of Law, Kyoto University



Hiroe Toyoshima
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Sustainability Committee Member

(Born on September 28, 1967)
 Number of the Company's shares possessed: —

Career summary

April 1998 Registered as attorney-at-law, the Osaka Bar Association joined Nakamoto & Partners
 November 2005 Registered as attorney-at-law in the State of New York, USA
 April 2009 Partner, Nakamoto & Partners (current position)
 October 2015 Outside Member of the Board of Directors, Samesu Co., Ltd.
 June 2020 Outside Member of the Board of Directors, Nitta Corporation (current position)
 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., LTD. (current position)
 Outside Members of the Board of Directors who is an Audit and Supervisory Committee Member, Nidec Corporation (current position)
 Jun 2023 Outside Members of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., LTD.

Significant concurrent positions

Partner, Nakamoto & Partners
 Outside Member of the Board of Directors, Nitta Corporation
 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., LTD.



Kunio Umeda
 Outside Member of the Board of Directors
 Audit and Supervisory Committee Member
 Sustainability Committee Member

(Born on March 10, 1954)
 Number of the Company's shares possessed: —

Career summary

April 1978 Joined the Ministry of Foreign Affairs of Japan
 April 1995 Director, Second Southeast Asia Division, Southeast and Southwest Asian Affairs Department, the Ministry of Foreign Affairs of Japan
 July 1996 Director, Regional Policy Division, Asian Affairs Bureau, the Ministry of Foreign Affairs of Japan
 July 1997 Counsellor, the Japanese Embassy in Republic of Peru and Consul-General in Lima, the Ministry of Foreign Affairs of Japan
 September 1998 Counsellor, the Japanese Embassy in United States of America, the Ministry of Foreign Affairs of Japan
 June 1999 Minister, the Permanent Mission of Japan to the United Nations
 January 2002 Director, Personnel Division, Minister's Secretariat, the Ministry of Foreign Affairs of Japan
 September 2002 Director, Personnel Division, Minister's Secretariat, the Ministry of Foreign Affairs of Japan
 September 2004 Counsellor, Minister's Secretariat, Foreign Policy Bureau and Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan

December 2006 Chief Minister, the Japanese Embassy in People's Republic of China, the Ministry of Foreign Affairs of Japan
 August 2010 Director-General, Southeast and Southwest Asian Affairs Department, Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan
 September 2012 Director-General, International Cooperation Bureau, the Ministry of Foreign Affairs of Japan
 January 2014 Ambassador Extraordinary and Plenipotentiary of Japan to Federative Republic of Brazil
 October 2016 Ambassador Extraordinary and Plenipotentiary of Japan to the Socialist Republic of Vietnam
 April 2020 Left the Ministry of Foreign Affairs of Japan
 November 2020 Special Assistant to the Ministry of Foreign Affairs of Japan (current position)
 June 2024 Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)

Significant concurrent positions

Special Assistant to the Ministry of Foreign Affairs

Vice Presidents

Yoshihisa Kitao
 Executive Vice President

Tatsuya Nishimoto
 Executive Vice President

Michael Briggs
 First Senior Vice President

Valter Taranzano
 First Senior Vice President

Kazutsugu Igarashi
 First Senior Vice President

Takamitsu Araki
 First Senior Vice President

Michio Kaida
 First Senior Vice President

Akinobu Samura
 Senior Vice President

Fumiaki Ushio
 Senior Vice President

Toru Takahashi
 Senior Vice President

Ryuji Omura
 Senior Vice President

Takashi Kishimae
 Vice President

Eiji Miyamoto
 Vice President

Hiroyuki Fujita
 Vice President

Kazuo Nakagawa
 Vice President

Shin Kishimoto
 Vice President

Shuichiro Sori
 Vice President

Tomonori Seta
 Vice President

Yuji Tanaka
 Vice President

Naoko Toyoshima
 Vice President

Yuzuru Ehara
 Vice President

* The number of shares owned are rounded off to the nearest thousand.

Financial/Non-financial Data

Financial Data

	U.S. GAAP		IFRS								(FY)
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	(Millions of yen)										
Net sales	1,028,385	1,178,290	1,199,311	1,459,039	1,475,436	1,534,800	1,618,064	1,918,174	2,230,027	2,347,159	
Operating profit	110,939	117,662	139,366	165,903	129,222	108,558	159,970	170,374	89,923	162,554	
Profit before income taxes	107,092	117,164	141,313	163,260	129,830	105,160	152,937	170,032	110,435	202,367	
Profit attributable to owners of the parent	76,015	89,945	111,007	130,834	109,960	58,459	121,945	135,759	36,982	124,899	
CAPEX	58,042	81,898	68,718	90,841	120,555	132,926	88,911	98,580	137,814	112,049	
Depreciation	51,445	64,950	59,737	68,697	71,016	87,808	96,802	104,932	119,522	131,693	
R&D	45,179	51,978	52,807	55,438	62,912	78,630	67,280	78,015	81,337	81,055	
Total assets	1,357,340	1,376,636	1,678,997	1,773,199	1,884,008	2,122,493	2,256,024	2,678,483	2,862,749	3,160,417	
Shareholders' equity	744,972	763,023	846,572	932,501	996,795	947,290	1,096,020	1,292,241	1,346,565	1,631,927	
Operating cash flow	91,875	147,659	129,853	175,568	170,233	168,049	219,156	94,994	143,485	320,766	
Investment cash flow	-81,230	-95,377	-211,476	-113,915	-160,844	-311,513	-100,568	-112,597	-164,943	-153,553	
Free cash flow	10,645	52,282	-81,623	61,653	9,389	-143,464	118,588	-17,603	-21,458	167,213	
Financial cash flow	-19,508	7,775	95,848	-116,858	-32,683	128,546	-136,191	-64,393	-19,238	-181,557	
Per-share information*1	(Yen)										
Profit (EPS)	135.81	151.52	187.14	220.96	186.49	99.37	208.19	232.40	64.26	217.37	
Dividends	35.00	40.00	42.50	47.50	52.50	57.50	60.00	65.00	70.00	75.00	
Major financial indicators	(%)										
Operating profit ratio	10.8	10.0	11.6	11.4	8.8	7.1	9.9	8.9	4.0	6.9	
Shareholders' equity ratio	54.9	55.4	50.4	52.6	52.9	44.6	48.6	48.2	47.0	51.6	

*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2014 and April 1, 2020.

*2 Starting from the first quarter of FY2016, the International Financial Reporting Standards (IFRS) have been applied to the consolidated financial statements.

Therefore, the figures presented are based on the International Financial Reporting Standards (IFRS) for FY2015 and later, and on the U.S. accounting standards for FY2014 and before.



Non-financial Data

E/ Environment ^{*1}					
	(FY)				
	2019	2020	2021	2022 ^{*2}	2023
Total GHG emissions (kt-CO ₂)	2,934	2,858	4,750	330,087	286,093
Scope 1 (kt-CO ₂)	62	60	57	282	269
Scope 2 (Location-based, kt-CO ₂)	—	—	—	904	898
Scope 2 (Market-based, kt-CO ₂) ^{*3}	577	511	457	800	791
Scope 3 (kt-CO ₂)	2,295	2,287	4,236	329,005	285,033
Total energy consumption (MWh) ^{*4}	1,403,437	1,448,027	1,396,802	2,628,309	2,460,021
Non-renewable energy Fuel consumption (MWh)	161,437	268,027	265,802	770,026	607,052
Non-renewable energy Steam, Heat and Cooling consumption (MWh)	—	—	—	23,931	21,460
Total electricity consumption (MWh)	1,242,000	1,180,000	1,131,000	1,834,352	1,831,509
Renewable energy electricity consumption (MWh)	32,021	64,000	120,000	143,961	229,888
Renewable energy introduction ratio (%)	2.6	5.4	10.6	7.8	12.5
Total discharge of waste (including solids and liquids) ^{*5} (t)	—	—	124,997	304,245	289,269
Total discharge of waste (solid only) ^{*5} (t)	100,546	101,380	111,993	—	—
Recycled amount ^{*6} (t)	90,910	91,842	101,812	114,258	242,827
Final disposal amount ^{*6} (t)	9,636	8,947	10,180	189,987	46,442
Recycled ratio ^{*6} (%)	90.4	90.6	90.9	37.5	83.9
Final disposal ratio ^{*6} (%)	9.6	9.4	9.1	62.5	16.1
Total Water Withdrawal (Thousand m ³) ^{*7}	8,064	7,218	7,055	8,689,000	8,233,000
Tap water · industrial water (Thousand m ³)	6,946	6,106	6,088	7,142,000	6,531,000
Groundwater	1,103	1,102	958	1,233,000	1,451,000
Rivers, ponds, lakes, rainwater (Thousand m ³)	15	10	9	316,000	251,000
The sales ratio of environmentally contributing products (%) ^{*8}	14.4	11.5	12.5	14.6	14.0

S/ Society					
	(FY)				
	2019	2020	2021	2022	2023
CSR audits conducted by business partner(s) (times) ^{*9}	93	132	123	122	57
Employees (persons) (consolidated)	117,206	112,551	114,371	106,592	101,112
Ratio of female employees (%) (consolidated) ^{*10}	50.6	49.1	48.2	47.0	46.8
Ratio of female managers and officers ^{*11} (%) (consolidated) ^{*10}	25.9	28.2	27.2	23.9	22.9
Rate of industrial accidents involving lost working time (consolidated) ^{*12}	0.78	0.66	0.73	0.85	0.49
Employees (persons) (non-consolidated)	2,756	2,568	2,511	2,176	1,964
Ratio of female employees (%) (non-consolidated)	20.4	20.6	19.9	19.4	21.1
Number of female managers (non-consolidated)	34	33	37	41	44
Ratio of female managers (%) (non-consolidated)	5.5	5.7	6.2	7.0	8.1
Number of female officers (non-consolidated)	1	3	4	6	6
Ratio of female officers (%) (non-consolidated)	2.4	7.9	10.0	15.0	19.4
Rate of persons with disabilities employed (%) (non-consolidated)	2.19	2.24	2.40	2.28	2.67
Employee training (hours) (non-consolidated)	110,077	112,162	71,154	28,072	22,698
Employee training hours per person (hours)	39.9	43.7	31.0	12.9	12.0
Average monthly overtime hours (hours) (non-consolidated)	16.3	11.2	17.3	19.6	20.1
Percentage of annual paid leave taken (%) (non-consolidated)	64.5	56.5	60.9	69.0	73.0
Rate of industrial accidents involving lost working time ^{*12} (non-consolidated)	0.4	0.1	0.5	0.5	1.7
Number of employees who have taken maternity leave (non-consolidated)	30	24	22	22	24
Number of employees who have taken childcare leave (non-consolidated)	41	25	68	43	39
Male employees (persons)	7	8	20	24	27
Percentage of male employees who have taken childcare leave (%) (non-consolidated)	8.0	9.0	19.8	31.2	47.0
Return rate after taking childcare leave (%) (non-consolidated)	90.0	100	96.0	92.5	100
Number of employees using the short-time work system (non-consolidated)	102	115	86	96	85

G/ Governance					
	(FY)				
	2019	2020	2021	2022	2023
Directors (persons)	8	9	9	10	10
Directors who are also Executive Officers (persons)	5	1	2	1	1
Outside Directors (persons)	2	5	5	6	6
Ratio of Outside Directors (%)	25.0	55.6	55.6	60.0	60.0
Female Directors (persons)	0	2	2	5	5
Ratio of female Directors (%)	0.0	22.2	22.2	50.0	50.0
Age of the youngest Director	52	48	49	50	51
Age of the oldest Director	78	79	80	78	79
Average age of Directors	66	65	66	64	64

*1 Data coverage ratio is a numerical value compared to sales. Data coverage rate for FY2018: 63.0%, FY2019: 59.2%, FY2020: 58.7%, FY2021: 53.5%, FY2022: 100%, Data coverage rate for FY2023: 100%

*2 GHG emissions for FY2022 have been recalculated using the calculation set by SBT.

*3 From FY2022 report, the IEA emission factor by country is used. Before FY2021, use "Ministry of the Environment: List of Calculation Methods and Emission Factors in the Calculation, Reporting and Publication System".

*4 Unit changed (GJ→MWh). Values for FY2020 and FY2021 are recalculated values.

*5 From FY2022 report, the distinction between solid and liquid has been abolished.

*6 Before FY2021, only solid waste is calculated.

*7 Data before FY2021 have been revised.

*8 The products meet the requirements of the FTSE Green Revenues Classification System

*9 8 companies overseas

*10 In FY2023, the survey was conducted to cover 87.7% of all Nidec Group employees.

*11 All levels of management, including junior, middle and senior level management and outside board directors. Junior management: Employees falling under either of the following supervisory roles, or those with a similar level of responsibility:
(A) typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher level officials and managers to subordinate personnel.
(B) supervise around 10 full-time employees and/or perform supervisory functions where judgment is exercised in at least two small operational teams/groups.

*12 Number of deaths and injuries per 1 million hours worked in total.

Group Companies

Company name	Business activities
NIDEC INSTRUMENTS CORPORATION https://www.nidec.com/en/nidec-instruments/	R&D, manufacturing and sales of Stepping motors, Motor drive units, Industrial robots, Card readers, Precision plastic molds, Electric contacts and Music box products
NIDEC MOBILITY CORPORATION https://www.nidec.com/en/nidec-mobility/	Marketing, development, production and sales of automotive electrical components
NIDEC DRIVE TECHNOLOGY CORPORATION https://www.nidec.com/en/nidec-drivetechnology/	R&D, manufacturing and sales of power transmission drives, press machines, control device, measuring, ceramic art equipment, and others.
NIDEC TECHNO MOTOR CORPORATION https://www.nidec.com/en/nidec-technomotor/	R&D, manufacturing and sales of small and mid-size motors for HVAC, home appliance and industrial machinery, power tools, motor-based equipment and others.
NIDEC POWERTRAIN SYSTEMS CORPORATION https://www.nidec.com/en/nidec-powertrainsystems/	R&D, manufacturing and sales of precision automobile parts, automated measuring equipment.
NIDEC ADVANCE TECHNOLOGY CORPORATION https://www.nidec.com/en/nidec-advancetechnology/corporate/	R&D, manufacturing and sales of semiconductor package/PCB inspection systems, optical inspection systems, FPD inspection systems, automatic measurement/control systems and associated xtures.
NIDEC COMPONENTS CORPORATION https://www.nidec-components.com/e/	R&D, manufacturing and sales of electronic circuit components, pressure sensors, actuators, potentiometers, and rotary encoders.
NIDEC PRECISION CORPORATION https://www.nidec.com/en/nidec-precision/	R&D, manufacturing and sales of optical, electronic and information equipment, photo equipment and factory automation equipment.
NIDEC MACHINE TOOL CORPORATION https://www.nidec.com/en/nidec-machinetool/	(1) Design, manufacture, sales and consulting services associated with machine tools, cutting tools, and other related products. (2) Installation, technical guidance, and after-sales services related to the above products.
NIDEC ADVANCED MOTOR CORPORATION https://www.nidec.com/en/nidec-advancedmotor/	Development, manufacture and sales of consumer and industrial small motors, as fans, blowers and sensors, and motor application products.
NIDEC ELESYS CORPORATION https://www.nidec.com/en/nidec-elesys/	Development, manufacture and sales of automotive inverters and electronic control devices for automotive bodies.
NIDEC GLOBAL SERVICE CORPORATION https://www.nidec.com/en/nidec-globalservice/	Insurance agency, real estate, merchandising, building maintenance, leasing, human resource, hotel business, beverage service and others.
NIDEC OKK CORPORATION https://www.nidec.com/en/nidec-okk/	(1) Design, manufacturing, and sale of machine tools (machining centers, NC milling machines, general-purpose milling machines, and specialized machine tools) (2) Installing, and providing technical Support and customer support for, the above products.
Takisawa Machine Tool Co., Ltd. https://www.takisawa.co.jp/english/	CNC lathes, Engine lathes, Machining centers, Drill centers, FA cells, systems
NIDEC MACHINERY CORPORATION https://www.nidec.com/en/nidec-machinery/	Design, manufacture, sales and technical support of automatic machines, FA equipment, measuring and testing devices.
NIDEC MOTORS & ACTUATORS (GERMANY) GmbH http://www.nidec-ma.com/	R&D, manufacturing and sales of automotive motors (engine cooling, ABS, tilt/telescope, seat adjustment, window lift, air compressor, sunroof and trunk open and close.)
NIDEC ELECTRIC MOTOR SERBIA LLC https://www.nidec.com/en/corporate/network/group/nidec-electric-motor-serbia/	Manufacturing and sales of automotive motors and related products are planned.
NIDEC GPM GmbH http://www.nidec-gpm.com/	R&D and manufacturing of water pumps, oil pumps and modules for the automotive industry; wide range of OEM customers (passenger cars and commercial vehicles)
NIDEC MOTOR CORPORATION http://www.nidec-motor.com/	R&D, manufacturing, and sales of industrial, commercial and appliance motors, and control equipment
NIDEC GLOBAL APPLIANCE EUROPE S.r.l https://www.nidec.com/jp/corporate/network/group/nidec-global-appliance-europe/	Design, production and sales of motors and compressors for home appliances and commercial refrigeration.
NIDEC LEROY-SOMER HOLDING http://www.leroy-somer.com/	R&D, manufacturing and sale of alternators, electric motors, geared motors, variable speed drives, custom servo solutions and service o ers for industry.
NIDEC ASI S.p.A. https://www.nidec-industrial.com/	Development, manufacturing, and sales of mid- to large-sized industrial motors, power generators, and low- to mid-voltage drives as well as development of industrial system and automation systems in the metal and power generation (regenerated energy) elds.
NIDEC CONTROL TECHNIQUES LIMITED http://www.controltechniques.com/	R&D and manufacturing of customer-focused drive and servo technology.
NIDEC GLOBAL APPLIANCE COMPRESSORES E SOLUCOES EM REFRIGERACAO LTDA https://www.embraco.com	Engineering and manufacturing of household and commercial (merchandisers, food retail & service, medical and special applications) refrigeration compressors and condensing units.
NIDEC CHAUN-CHOUNG TECHNOLOGY CORP. http://www.ccic.com.tw/index.php	R&D, manufacturing and sales of thermal management devices.

* This table lists a selection of major group companies.

Company Profile

(As of March 31, 2024)

Trade name	NIDEC CORPORATION
Founded	July 23, 1973
Location of Head Office	338 Kuzetonosiro-cho, Minami-ku, Kyoto
Capital	JPY 87,784 million
Fiscal year end	March 31
Employees	Nidec Corporation: 1,964 Consolidated: 101,112
Business sites in Japan	Head Office, Tokyo Office, Central Technical Laboratory, Shiga Technical Center, Nidec Shin-Kawasaki Technology Center, Nidec Keihanna Technology Center
Corporate website	https://www.nidec.com/en/

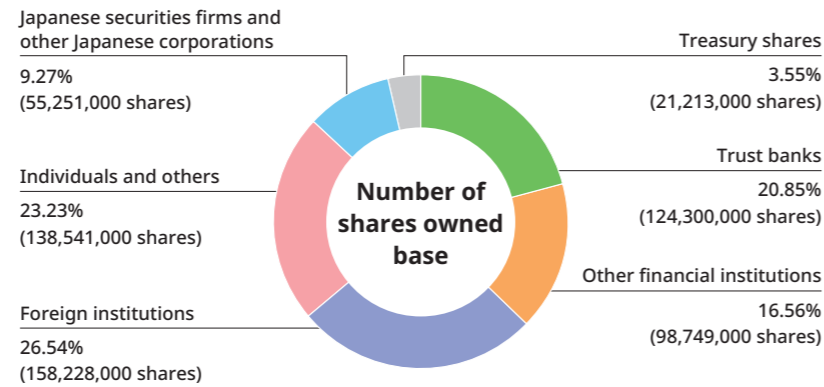
Stock Information

(As of March 31, 2024)

Share status

Number of shares outstanding	596,284,468
Number of shareholders	180,394

Shareholder mix



* Figures less than one thousand in the number of shares owned are rounded off.

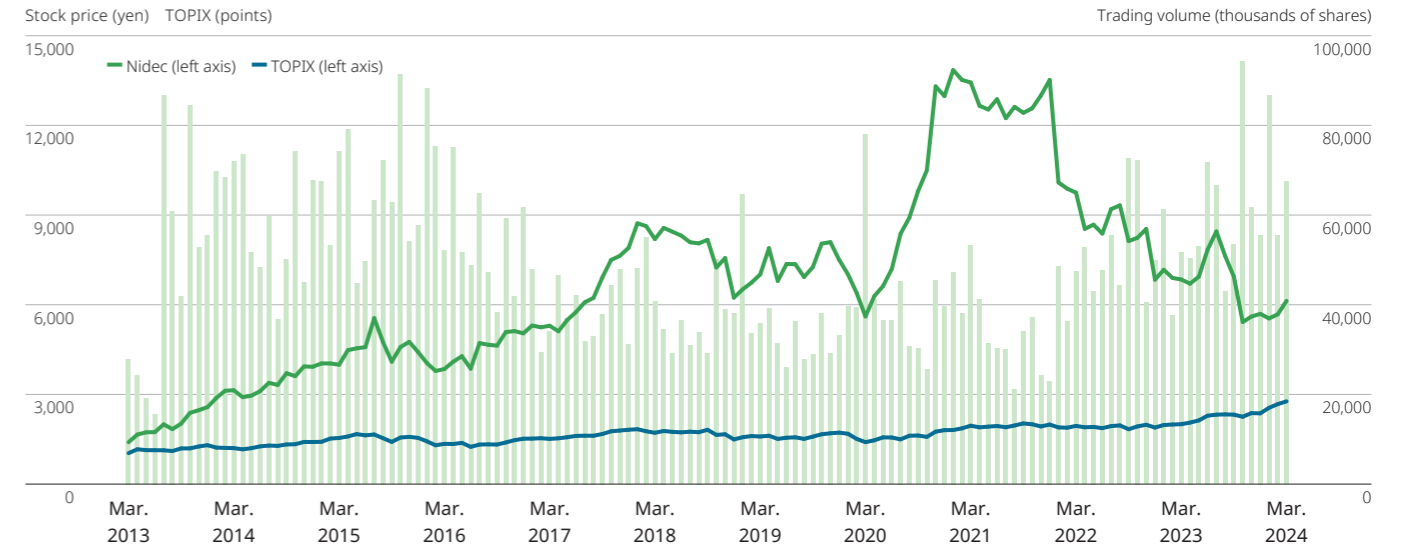
Major shareholders

Name	Number of shares owned (thousands)	Holding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	77,005	13.39%
Shigenobu Nagamori	49,473	8.60%
Custody Bank of Japan, Ltd. (trust account)	29,458	5.12%
The Bank of Kyoto, Ltd.	24,798	4.31%
S.N. Kosan, LLC.	20,245	3.52%
MUFG Bank, Ltd.	14,851	2.58%
Nippon Life Insurance Company	13,159	2.28%
Meiji Yasuda Life Insurance Company	12,804	2.22%
THE BANK OF NEW YORK MELLON 140042	11,173	1.94%
SSBTC CLIENT OMNIBUS ACCOUNT	9,776	1.70%

*1 Figures less than one thousand in the number of shares owned are rounded off.

*2 The Company's holding of 21,213,851 treasury stock is excluded from the above major shareholders. The shareholding ratio was calculated excluding treasury stock. Treasury stock do not include shares of the Company held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust.

Historical stock prices and trading volume



*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2014 and April 1, 2020. Stock prices are expressed assuming that the stock split occurred in March 2013.
*2 Figures for Nidec's stock price and trading volume are those on the First Section of Osaka Securities Exchange for on and before July 15, 2013, and those on the First Section of Tokyo Stock Exchange for on and after July 16, 2013. From April 1, 2022, the First Section of the Tokyo Stock Exchange was reorganized into Prime Market.

External Evaluation

(As of September 1, 2024)

Inclusion in ESG indexes

FTSE4Good Index Series

Since 2018, Nidec has been included in the FTSE4Good Index Series, designed to measure the performance of companies demonstrating excellent environmental, social and governance (ESG) practices.



FTSE Blossom Japan Sector Relative Index

Since 2022, in addition to ESG evaluation, Nidec has been Included in the FTSE Blossom Japan Sector Relative Index, an index to evaluate the management stance of companies with respect to climate change risks and opportunities.



FTSE Blossom Japan Index

Since 2018, Nidec has been included in the FTSE Blossom Japan Index, an index that reflects the performance of Japanese companies demonstrating excellent ESG practices.



MSCI Japan ESG Select Leaders Index

Since 2024, Nidec has been included in the MSCI Japan ESG Select Leaders Index, an ESG index that selects companies from each industry with excellent ESG ratings based on the constituents of the MSCI Japan IMI Index.

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women (WIN)

Since 2017, Nidec has been part of the MSCI Japan Empowering Women (WIN) index, which includes companies selected out of the top 700 brands in market capitalization ranking (the MSCI Japan IMI Top 700 Index) based on their genderrelated diversity (women's active participation in the workforce) in each industry.

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

* The inclusion of Nidec Corporation in any MSCI index and the use of MSCI logos, trademarks, service marks or index names herein do not constitute a sponsorship, recommendation or advertising of Nidec Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Since 2023, Nidec has been included in the Morningstar Japan ex-REIT Gender Diversity Tilt Index, an index that focuses on companies whose gender diversity policies are embedded in their corporate culture and companies committed to equal opportunities for their employees regardless of gender.

Awards and commendations

Nadeshiko Brand

Nidec was selected as a Nadeshiko Brand in FY2021 by the Japan Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).



ESG-themed brand

In the first "ESG brands" selection in 2012 at the Tokyo Stock Exchange, which identifies themed brands for individual investors based on specific themes and indexes, Nidec was selected as an ESG-themed brand.

Receiving three-star "eruboshi" status

In 2018, Nidec received a three-star rating (highest level) of "eruboshi" status granted by the Minister of Health, Labour and Welfare to companies that have made excellent efforts related to the promotion of women's participation and advancement in the workplace.



Evaluation of IR activities

Gomez IR Site Ranking 2023 Silver Award

Nidec received a Silver Award in the overall "Gomez IR Site Ranking 2023" published by Morningstar Japan K.K. In the electrical equipment industry ranking, Nidec was ranked 19th.

Nikko IR All Japanese Listed Companies' Website Ranking

Nidec's website was selected as a grade AAA site in the annual survey of all Japanese listed companies' websites conducted by Nikko Investor Relations Co., Ltd. in FY2023.

Daiwa IR Internet IR Commendation Award 2023

Nidec received the Commendation Award in the "Internet IR Award 2023" by Daiwa Investor Relations Co., Ltd.

Award for Excellence in Corporate Disclosure

In 2023, Nidec was ranked 18th in the Electric/Precision section in 2023 Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan.

Rating information

Rating agency	Announced	Target	Long-term Rating	Short-term Rating
Japan Credit Rating Agency, Ltd. (JCR)	December 2023	Issuer	AA	—
Rating and Investment Information, Inc. (R&I)	December 2023	Issuer	AA-	a-1+
Moody's	May 2024	Issuer	A3	—