



**FOR IMMEDIATE RELEASE**

**Nidec Corporation**

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Released on July 21, 2021, in Kyoto, Japan

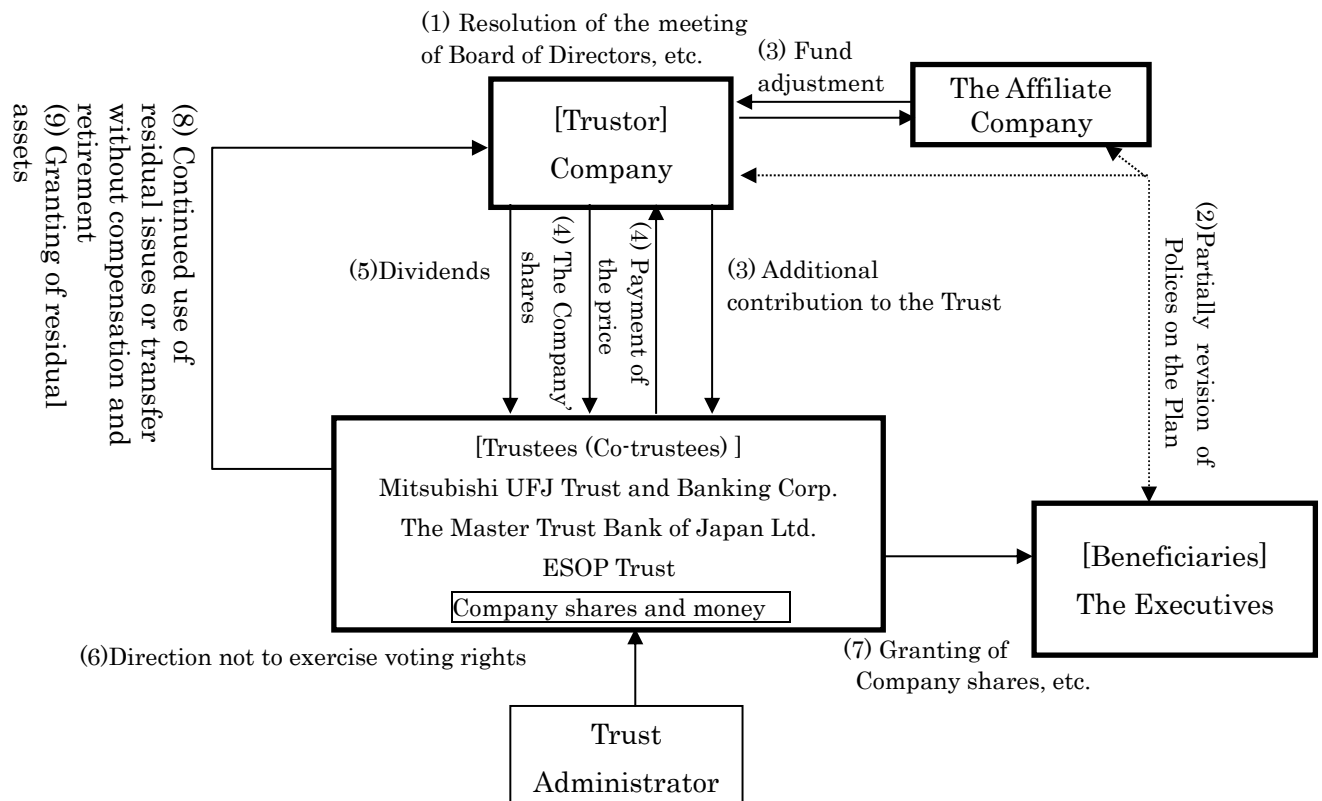
## **Notice Regarding Continuation and Partial Revision of Performance Share Plan for Executives in the Country and Overseas**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the "Company") hereby announces that the Board of Directors of the Company, in its meeting held on July 21, 2021, resolved to continue and to carry out an additional trust of money to the performance-linked and share based incentive plan (the "Plan") for Executives in the country and overseas (the "Executives") adopted in 2018. For details of this Plan, please refer "Notice Regarding Adoption of New Performance Share Plan for Executives in the Country and Overseas" dated April 24, 2018.

### **1. Reasons for extension of trust period and additional contribution**

The Company resolved to adopt the Plan at the Board of Directors meeting (the "Board Meeting") held on April 24, 2018. Regarding this Plan, we have made partially revision to the Plan and extend the trust period for three years. Also, we decided to make additional contributions to secure the funds for the acquisition of the Company's shares to be delivered during the extended trust period.

## 2. Structure of ESOP Trust



- (1). With respect to the continuation of the Plan, the Company and the Affiliate Company will obtain an approval at their respective meeting of the Board of Directors, etc.
- (2). The Company and the Affiliate Company will partially revise the Policies on the Plan at the meeting of the Board of Directors, etc. with respect to the continuation of the Plan.
- (3). The Company will additionally entrust money and extend an ESOP Trust (the "Trust") wherein the Executives who meet the beneficiary requirements are beneficiaries. The amount equivalent to the trust money will be absorbed by the Affiliate Company concerned based on each company's number of the person covered by the Plan.
- (4). The Trust will acquire the Company's shares from the Company using the funds entrusted in (3) above, in accordance with the instruction of the trust administrator. The Company's shares within the trust will be managed according to the amount equivalent to the trust money which each company absorbs.
- (5). Dividends of the shares of the Company under the Trust will be paid in the same manner as those on other shares of the Company.
- (6). Voting rights will not be exercised during the Trust term with regard to the Company's shares under the Trust.
- (7). During the trust period, a certain number of units will be awarded to the Executives covered by the Plan according to executive position and the degree of achievement of performance targets. The Executives who meet the requirement for beneficiaries, will be awarded the Company's shares, etc. that correspond to the number of unit (To comply with the trust contract, beneficiaries, in principle, will be awarded the Company's shares equivalent to 50% of the Company's shares corresponding to their accumulated units (odd-shares will be rounded off). Meanwhile, the Company's shares in a number equivalent to the remaining units will be converted into cash in the Trust in accordance with the Trust Agreement and beneficiaries will be awarded monetary equivalent. However, as for nonresident of Japan will be awarded the cash converted in the Trust, which is equivalent to

100% of the Company's shares corresponding to their accumulated units).

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

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

(Reference)

[Trust Agreement]

(1)	Type of Trust	Monetary trust other than an individually operated designated money trust (third-party benefit trust)
(2)	Purpose of Trust	Provide the Executives with incentives
(3)	Trustor	The Company
(4)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5)	Beneficiaries	The Executives covered by the Plan, who meet the beneficiary requirements
(6)	Trust administrator	A third person who has no conflict of interest with the Company and the Affiliate Company (Certified public accountant)
(7)	Date of trust agreement	July 26, 2018 Scheduled to conclude an extension contract in July 2021
(8)	Trust term	July 26, 2018 to August 31, 2024 (tentative)
(9)	Start of the Plan	July 26, 2018
(10)	Exercise of voting rights	No voting rights will be exercised
(11)	Type of acquired shares	Common Company shares
(12)	Amount of trust money	1.58billion yen (tentative) (including trust fee and trust expenses)
(13)	Period of share acquisition	August 5, 2021 (tentative)
(14)	Manner of share acquisition	From the Company (Treasury stock disposal)
(15)	Granted rights holder	The Company
(16)	Residual properties	Residual properties that the Company, which is the holder of granted rights, can receive are within the extent of allowances for trust expenses, etc., which are calculated by deducting funds to acquire the Company shares from the Trust money

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

(Appendix)

On April 22 2021, we disclosed "Notice Regarding Continuation and Partial Revision of Performance Share Plan for Members of the Board of Directors, etc." in Japanese. We will disclose the notice translated in English as follows.

Released on April 22, 2021, in Kyoto, Japan

## **Notice Regarding Continuation and Partial Revision of Performance Share Plan for Members of the Board of Directors, etc.**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the "Company") hereby announces that the Board of Directors of the Company, in its meeting held on April 22, 2021, resolved to continue and partially revise the performance-linked and share based incentive plan ("Board Incentive Plan" Trust (the "BIP" Trust), the "Plan") for Directors (excluding Outside Directors and Audit and Supervisory Committee Members), Executive Officers, and individuals who have the equivalent status (the "Directors, etc.") of the Company, and Directors (excluding Outside Directors) and Executive officers of the Affiliate Company (the "Affiliate Directors, etc.", "Directors, etc. covered by the Plan" along with the Company's Directors, etc.). The Company resolved to submit a proposal regarding the continuation and partial revision of the Plan, targeting the Directors, etc. of the Company, for the approval the 48th Shareholders Meeting to be held in June 2021 (the "Shareholders Meeting").

### 1. Content of the Plan after revision

#### (1) Overview of the Plan

The Plan after continuation and revision covers three consecutive business years (fiscal year ending on the end of March 2022 to the end of March 2024) (the "Target period"). This is an incentive plan in which the units are awarded to Directors, etc. depending on the executive position and the degree of achievement of targets in the annual performance targets, etc. And after the Target period has elapsed, based on the cumulative value of the granted units (the "cumulative numbers of units"), it is designed to grant or pay (the "granted, etc.") the Company's shares and cash in the amount of the converted value of such shares (the "Company's shares, etc.") to Directors, etc. covered by the Plan.

If the Trust is continued according to (4) B) below, the following three fiscal years will be covered.

#### (2) Resolution of the Shareholders Meeting with respect to adopt the Plan

The Company and the Affiliate Company will resolve the upper limit of trust money to be contributed to the Trust, and the maximum total number of the Company shares, etc. to be granted, etc. to the Directors, etc. covered by the Plan during the covered period, as well as other necessary matters will be resolved at respective Shareholders Meeting of the Company and the Affiliate Company.

#### (3) Eligibility for the Plan (Requirements for beneficiaries)

The Directors, etc. covered by the Plan will be granted, etc the Company's shares, etc. by the Trust in amounts corresponding to their accumulated units; provided, in principal, they comply with the beneficiary requirements as follows and go through the certain beneficiary procedures to fix:

- A) In principal, the beneficiary assumed the position of a Director, etc. covered by the Plan during the covered period (\*1).
- B) The beneficiary has not resigned voluntarily, been dismissed, or engaged in certain illegal conduct while in office.
- C) Any other requirements deemed necessary to fulfill the purpose of the Plan as a share-based incentive plan.

(\*1) If the Directors, etc. got transferred to overseas, etc., the said Directors may granted, etc. the Company's shares, etc. before the end of the Target period.

(4) Trust Period

A) Trust period after continuation

The trust period of the Trust, which is set based on the Plan, was about three years from July 26, 2018 to the end of August 2021. As a result, the trust period of the Trust is plan to be extended for three years from August 2021.

B) Extension of the Trust

Upon expiry of the trust period, the Company may continue the Trust or the Trust as a share-based incentive plan similar to this Plan by making amendments to the Trust Agreement and making additional contributions to the Trust. In such a case, the trust period will be extended further with respect to three years, and the Company and the Affiliate Company will make additional contributions to the Trust within the upper limit of trust money for which approved by the resolution of the respective Shareholders Meeting, and will continue awarding units to the Directors, etc. covered by the Plan during the trust period. In such case where such additional contributions are to be made when there are any Company's shares (excluding Company's shares equivalent to units granted, etc to the Directors covered by the Plan that are yet to be granted, etc) and money remaining in the trust property (the "residual shares, etc."). However, the sum of the amount of residual shares, etc. and additional trust money to be contributed shall be within the upper limit of trust money for which approval by the resolution of each respective Shareholders Meeting has been obtained. Such an extension of the trust period will not be limited to one time only, and the trust period may subsequently be re-extended in the same manner.

(5) The Company's Shares, etc. to be granted, etc. to the Directors, etc. covered by the Plan

The Company's shares will be granted, etc. according to the number of units awarded to each Directors, etc. covered by the Plan. The units are calculated by the following formulas. One unit shall be equivalent to one share of the Company. If, however, the number of the Company's shares under the Trust increases or decreases because the Company's share is subject to a share split, allotment of shares without contribution, or share consolidation, or etc., the Company will adjust the number of the Company's shares, etc. to be granted, etc. for each unit according to the percentage of increase or decrease of the Company's shares, and total upper limit shares as stated in (7) B) below.

(Unit calculation formula)

The units calculated by dividing the individual compensation amount, which has been determined in advance with respect to each executive position by the share price at the time when the Trust acquired

the Company's shares, will serve as the unit (the "base unit"). Based on the base unit, the Performance-linked unit will be calculated by the following formula, and awarded to the Directors, etc. covered by the Plan who hold office on the last day of each fiscal year of the covered period. And then multiply the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the every year management plan.

Calculation of the Base units :  $\frac{\text{share-based compensation by company and rank}}{\text{Average per-share acquisition price of the Company shares}}$

Calculation of the Performance-linked units :  $\text{Base units} \times \text{performance linkage coefficient}$   
 (\*2)(\*3)

(\*2) The performance-linked coefficient varies between 0% to 200% depending on the degree of achieving target of consolidated sales amount and consolidated operating profit, etc. of single year management plan.

(\*3) The granting units to eligibility who will be ineligible for the Plan by leaving office, etc. during the covered period, will make adjustment based on the incumbency, etc.

(6) Method and Timing for granting, etc. the Company's Shares, etc. to Directors, etc. covered by the Plan

The Directors, etc. covered by the Plan who meet beneficiary requirements will receive the Company's shares corresponding to 50% of the cumulative number of units (odd-shares will be rounded off) at predetermined time after the end of the Target period calculated based on (5) above, and receive money equivalent to the Company's shares corresponding to the number of remaining cumulative numbers of units that are converted into cash under the Trust. However, the Directors, etc. covered by the Plan who does not own a securities brokerage account handles Japanese stocks, he or she shall receive money equivalent to the Company's shares corresponding to the cumulative numbers of units that are converted into cash under the Trust. If the Director, etc. retires during the trust period (excluding cases of resignation or dismissal due to personal reasons), the Company's shares equivalent to 50% of the cumulative numbers of units up to the time of retirement (odd-shares will be rounded off) will be paid. The Company's shares in a number equivalent to the remaining units will be converted into cash in the Trust and beneficiaries will be awarded monetary equivalent.) (\* 4).

The incumbent Directors, etc. covered by the Plan who have died, the legal heir(s) of the said Directors, etc. shall receive money equivalent to the cumulative number of units corresponding to the Company's shares that are converted into cash under the Trust.

If the Directors, etc. covered by the Plan got transferred to overseas, before the end of the Target period, he or she shall receive money equivalent to the Company's shares corresponding to the cumulative numbers of units that are converted into cash under the Trust while in office.

(\*4) Regarding the units granted, etc. to the Directors, etc. in the Plan before the revision, in principle, the Company's shares, etc. will be delivered when the Directors, etc. retired, in consideration of the original purpose of the Plan.

(7) Upper Limit of Trust Money to be contributed to the Trust to the Company's Directors, etc. and the Maximum Number of the Company's shares, etc. to be granted, etc. from the Trust to the Company's

Directors, etc.

The share-based incentive to the Company's Directors, etc. during the covered period, the upper limits of the amount of trust money to be contributed to the Trust and the number of the Company's shares, etc. to be granted, etc. from the Trust shall be as follows, provided they are approved by a resolution of the respective Shareholders Meetings of the Company.

- A) The upper limit of the amount of trust money to be contributed to the Trust as a share-based incentive for the Company's Directors, etc. during the continuation covered period: 2.73 billion yen (\*5)

However, if the trust extended as described in (4) B), the upper limit for the amount of trust money to be contributed to the Trust as a share-based incentive for the Company's Directors, etc. will be 2.73 billion yen per new trust period(3 fiscal years).

(\*5) The sum of the amount of funds for the Trust to acquire the Company's shares as well as the amount of trust fees and trust expenses.

- B) The upper limit of the number of the Company's shares, etc. to be granted, etc as a share-based incentive for the Company's Directors, etc. to the Trust during the continuation covered period : 252,000 shares(\*6)

However, if the trust extended as described in (4) B), the upper limit for the number of the Company's shares, etc. be granted, etc as a share-based incentive for the Company's Directors, etc. from the trust will be 84,000 shares per fiscal year. The upper limit for the number of shares will be 252,000 shares for the covered period (3 fiscal years).

(\*6) The upper limit of the number of the Company's shares, etc. to be granted, etc. is determined by taking into account the upper limit of the trust money discussed above and in reference to the Company's share price, etc. at that point in time.

In addition to the above, the Company will entrust money within the upper limit approved by the resolution of the each Company's Shareholders Meeting, in order to acquire the Company's shares to be granted, etc. to the Affiliate Company's Directors, etc. The Company's shares in the Trust will take control according to each Affiliate Company's amount of the trust money.

- (8) Method for the Trust to acquire the Company's share

The Trust shall plan to acquire the Company's shares from the stock market or the Company (Treasury stock disposal) to the extent of the upper limit of the trust money and the upper limit number of Company's shares, etc. to be granted, etc. as stated in (7) above.

- (9) Exercising Voting Rights Related to the Company's Shares under the Trust

To ensure the neutrality for the Company's management, voting rights shall not be exercised for the Company's shares held in the Trust during the trust period.

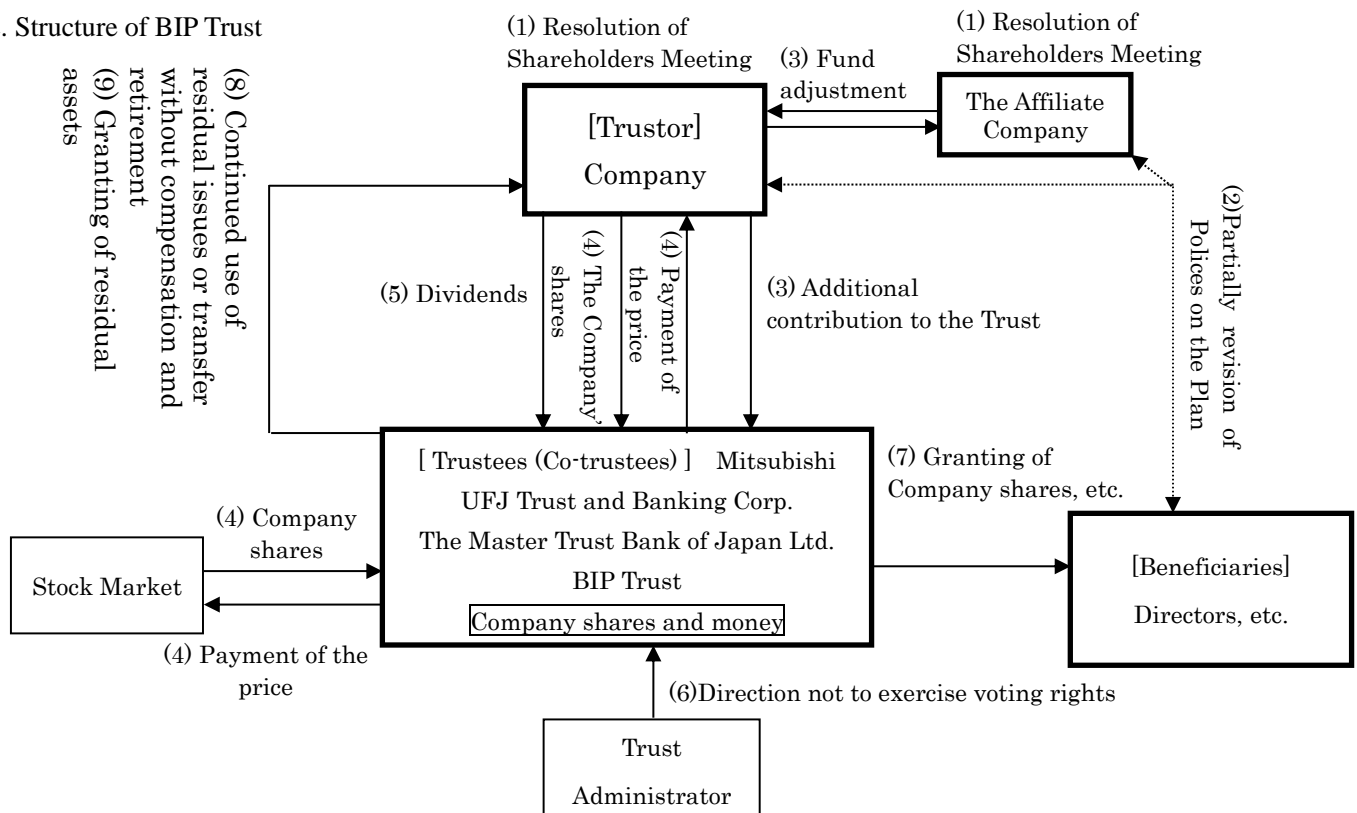
(10) Treatment of Dividends of the Company's Shares under the Trust

Dividends related to the Company's shares under the Trust will be paid to the Trust, and allocated to trust fees and trust expenses. If, after the allocation to trust fees and expenses, residual assets remain at the expiry of the Trust, such assets will be donated to organizations with no interest in the Company and the Affiliate Company. If the Company continues to use the Trust, such residual assets will be applied to the acquisition of shares.

(11) Treatment of Residual Shares at the Expiry of the Trust Period

If residual shares remain in the Trust at the expiry of the trust period due to under achievement of performance targets or other factors, the Trust may be continued to be used for the Plan or a similar share-based incentive plan. But in the case in which the Trust is to be terminated at the expiry of the trust period, the said residual shares will be transferred from the Trust to the Company without compensation, and the Company will retire said shares by a resolution of the Board of Directors of the Company as a way to return value to shareholders.

2. Structure of BIP Trust



- (1). With respect to the continuation and partial revision of the Plan, the Company and the Affiliate Company will obtain an approval of compensation for Directors, etc. at their respective Shareholders Meetings.
- (2). The Company and the Affiliate Company will partially revised the Policies on the Plan at the meeting of the Board of Directors with respect to the continuation of the Plan.
- (3). The Company will additionally entrust money within the upper limit approved by the resolution of the Shareholders Meeting as in (1), above, and extend the trust period for 3 years for a BIP Trust (the "Trust") wherein the Company's Directors, etc. who meets the beneficiary requirements are beneficiaries. The amount



equivalent to the additional trust money which will be the fund of share-based incentive for Affiliate Company's Directors, etc. will be absorbed by the Affiliate Company concerned.

- (4). The Trust will additionally acquire the Company's shares from stock market or the Company (Treasury stock disposal) using the funds entrusted in (3) above, in accordance with the instruction of the trust administrator. The number of shares to be acquired by the Trust shall be within the upper limit as approved by the resolution at the Shareholders Meeting specified in (1). The Company's shares within the trust will be managed according to the amount of money to be funded for each Company's Directors, etc. covered by the Plan.
- (5). Dividends of the shares of the Company under the Trust will be paid in the same manner as those on other shares of the Company
- (6). Voting rights will not be exercised during the Trust term with regard to the Company's shares under the Trust.
- (7). During the trust period, a certain number of units will be awarded to Directors, etc. covered by the Plan according to executive position and the degree of achievement of performance targets. In principle, the Directors, etc. who meets the beneficiary requirement are beneficiaries, as described in 1. (6) above, will be awarded the Company's shares, etc. that corresponds to the number of unit at a predetermined time after the end of the Target period (As stated in 1. (6) above, beneficiaries, in principle, will be awarded the Company's shares equivalent to 50% of the Company's shares corresponding to their accumulated units (odd-shares will be rounded off). Meanwhile, the Company's shares in a number equivalent to the remaining units will be converted into cash in the Trust in accordance with the Trust Agreement and beneficiaries will be awarded monetary equivalent.) If there are residual shares at the expiry of the trust period, the Company will either continue the Trust for use in the Plan or for other similar share-based incentive plans by making amendments to the Trust Agreement and additional contributions to the Trust by a resolution of the Board of Directors, etc. Or, the residual shares will be transferred from the Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.
- (8). If there are residual shares at the expiry of the trust period, the Company will either continue the Trust for use in the Plan or for other similar share-based incentive plans by making amendments to the Trust Agreement and additional contributions to the Trust by a resolution of the Board of Directors, etc. Or, the residual shares will be transferred from the Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.
- (9). Residual properties after distribution to beneficiaries at the end of the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated by deducting the funds to acquire Company shares from the trust money. The portion exceeding the allowances for trust expenses will be donated to groups that have no conflict of interest with the Company and the Affiliate Company.

Note: If the number of the Company's shares under the Trust run out during the trust period due to the granting of the Company's shares, etc. to the Directors, etc. covered by the Plan, who meet the beneficiary requirements, the Trust will be terminated prior to the expiry of the trust period. Besides, the Company and the Affiliate Company may entrust additional money to the Trust to the extent of the upper limit of trust money approved by the resolution of a Shareholders Meeting and the upper limit of the number of the Company's shares to be delivered( as stated in 1.(7) above) for use in acquisition shares of the Company.

(Reference)

[Trust Agreement]

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| (1). Type of Trust                     | Monetary trust other than an individually operated designated money trust (third-party benefit trust)  |
| (2). Purpose of Trust                  | Provide Directors, etc. covered by the Plan with incentives  |
| (3). Trustor                           | The Company  |
| (4). Trustee                           | Mitsubishi UFJ Trust and Banking Corporation<br>(Co-trustee: The Master Trust Bank of Japan, Ltd.)   |
| (5). Beneficiaries                     | Directors, etc. covered by the Plan who meet the beneficiary requirements  |
| (6). Trust administrator               | A third person who has no conflict of interest with the Company and the Affiliate Company(Certified public accountant)   |
| (7). Date of trust extension agreement | July 28, 2021 (tentative)  |
| (8). Trust term                        | July 26, 2018 to August 31, 2024(tentative)  |
| (9). Start of the Plan                 | July 26, 2018  |
| (10). Exercise of voting rights        | No voting rights will be exercised   |
| (11). Type of acquired shares          | Common Company shares  |
| (12). Amount of trust money            | 2.47 billion yen (tentative) (including trust fee and trust expenses)  |
| (13). Period of share acquisition      | July 30, 2021 (tentative) to September 17, 2021(tentative)   |
| (14). Manner of share acquisition      | To be acquired from the stock exchange market or the Company (Treasury stock disposal)   |
| (15). Granted rights holder            | The Company  |
| (16). Residual properties              | Residual properties that the Company, which is the holder of granted rights, can receive are within the extent of allowances for trust expenses etc., which are calculated by deducting funds to acquire Company shares from the Trust money |

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

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