



FOR IMMEDIATE RELEASE

Nidec Corporation

Tokyo Stock Exchange code: 6594

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Notice Regarding the Disposal of Treasury Stock through Third-Party Allotment in Line with the Continuation of the Performance Share Plan

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company”) today announced that its Board of Directors has resolved to dispose treasury stock through third-party allotment (the “Disposal of Treasury Stock”) at a meeting held on July 21, 2021.

1. Outline of the Disposal of Treasury Stock

1. Date of Disposal	August 5, 2021
2. Class and Total Number of Shares to be Disposed of	325,100 shares of common stock A) Board Incentive Plan Trust Account:200,700 shares B) Employee Stock Ownership Plan Trust Account:124,400 shares
3. Disposal Value	12,690 yen per share
4. Total Disposal Value	4,125,519,000 yen
5. Disposal Recipient	A) The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust Account:76268) B) The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan Trust Account:76269)
6. Other	The disposal of Treasury Shares shall be conducted subject to the effectiveness of the registration statement submitted under the Financial Instruments and Exchange Act.

2. Purpose of and Reason for the Disposal

The Company resolved to continue the “Board Incentive Plan” Trust (the “BIP” Trust) for Directors (excluding Outside Directors and those who are 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 BIP” along with the Company’s Directors, etc.) and the “Employee Stock Ownership Plan” Trust (the “ESOP” Trust) for Executives in the Company and overseas (the “Executives”), both of which has been adopted in 2018.

The Disposal of Treasury Stock shall be carried out in the form of disposal of treasury stock through third-party allotment to The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust

Account:76268) , the co-trustee under the BIP trust agreement concluded between the Company and Mitsubishi UFJ Trust and Banking Corporation, and to The Master Trust Bank of Japan, Ltd. (Employee Stock Ownership Plan Trust Account:76269), the co-trustee under the ESOP trust agreement concluded between the same parties.

The number of shares to be disposed of shall be the number of shares expected to be delivered to Directors, etc. covered by the BIP and the Executives covered by the ESOP during the trust period pursuant to the Policies on the BIP and the ESOP, and its dilution shall be limited in scale to 0.05% (rounded off to two decimal places) of the total number of shares outstanding, which, in terms of voting rights, corresponds to 0.06% (rounded off to two decimal places) of the total number of voting rights at 5,853,201, as of March 31, 2021.

As the shares of the Company allotted through the Disposal of Treasury Stock shall be delivered to Directors, etc. covered by the BIP and the Executives covered by the ESOP pursuant to the Policies on the BIP and the ESOP, we believe that its impact on secondary market shall be insignificant, and that the number of shares disposed of, as well as its scale of dilution shall be within a reasonable range.

Outline of the BIP 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 BIP 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 | Directors, etc. covered by the BIP 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 |
| 8. Trust term | July 26, 2018 to August 31, 2021(tentative)
(scheduled to be extended until August 31, 2024 through revision of a trust agreement in July, 2021) |
| 9. Exercise of voting rights | No voting rights will be exercised |

Outline of the ESOP 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 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 ESOP, 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 |

8. Trust term July 26, 2018 to August 31, 2021 (tentative)
(scheduled to be extended until August 31, 2024 through
revision of a trust agreement in July, 2021)
9. Exercise of voting rights No voting rights will be exercised

3. Basis for and Details of the Calculation of Disposal Value

To eliminate arbitrariness in determining disposal value, the Company has taken recent trends in its stock price into consideration and has set the disposal value at 12,690 yen per share, the closing price announced by Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on July 20, 2021, the business day immediately prior to the date on which the resolution with regard to the disposal of treasury stock was passed by the Board of Directors. The Company’s reason for adopting the closing price announced on that date is that the market price announced immediately prior to the Board of Directors’ decision serves as an objective and reasonable indicator that provides a fair basis for the calculation of disposal value.

In addition, the Company’s Audit and Supervisory Committee (comprising five members, three of whom are Outside Directors), concluded that said disposal value was reasonably and legally calculated and does not constitute a value arbitrarily determined in favor of the Company.

4. Procedures under the Code of Corporate Conduct

The Disposal of Treasury Stock will result in only a minor dilution of shares, well below the prescribed level of 25%, while producing no changes in the holdings of controlling shareholders. Therefore, third-party opinions and the confirmation of the shareholders’ consensus, which would otherwise be mandated based on Article 432 of the Tokyo Stock Exchange’s Securities Listing Regulations, are not required.

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