

Contributing to the world by making products
that spin and move



Nidec and Society

The Nidec Group provides innovative products and services, ensures business integrity, and contributes to society through its business and non-business activities.

Supporting society in various ways, the Nidec Group is taking on challenges every day to stay competitive as a socially desirable business even 100 years from now.

Our CSR Keywords



Innovation



Integrity



Responsibility



To Our Stakeholders



Mission Statement

Nidec Corporation's mission is to contribute to the development of society and 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, expertise, and modern science. Thereby, Nidec strives to promote the prosperity of our society, our company, and all our employees.

Electric motors power just about every present-day spinning/moving key mechanism to make our lives easier, more convenient and comfortable. In the meantime, however, they could have a significant impact on the global environment due to their large power consumption, which, some estimate, comprises approximately half of all the power generated in the world.

Over the years, Nidec has contributed to reducing global power consumption and CO₂ emissions through the energy efficiency of its motors and related products as the world's leading comprehensive motor manufacturer. Going forward, we will continue to make a difference by opening up a whole new level of efficiency, enabled through tighter integration of our industry-leading motor-drive expertise with advanced controllability and connectivity. Slowly yet constantly, we are on course to evolve into a "global comprehensive electromechanical device manufacturer" capable of bringing solutions to every global issue a step closer with a sustainability perspective on social needs.

Shigenobu Nagamori

Founder, Chairman and CEO

Our company is currently on the verge of riding a great wave of technological innovation in five areas: "automotive electrification," "expansion robot applications," "home appliances driven by brushless DC motors," "manpower-saving in agriculture and logistics," and "next-generation technology stemming from 5G communications." Strong expectations are placed on these areas as promising growing markets that contribute to the resolution of various global issues, including CO₂ emissions, traffic accidents, and population aging. Hopefully, elemental technologies we have cultivated thus far will serve as a gateway to viable solutions to these sustainability challenges posed by ever-changing environmental and social dynamics.

Aiming to become a leading global company, we will actively support the Sustainable Development Goals (SDGs) set by the United Nations as global goals toward 2030. Sticking to the company's business attitude of "Do what's expected, as expected, from a higher perspective before anyone else until it is completed," we will work to meet the expectations of everyone who supports us.

Hiroyuki Yoshimoto

President and COO

WE SUPPORT



The Nidec Group joined the UN Global Compact and officially expressed its support for the 10 principles in August 2015.



Innovation for Everyone

Nidec and Society

Nidec Products Spinning and Moving in Our Daily Lives

Nidec's motors are used in all aspects of our everyday life.



For more details, please see our website.



Other products

(Machinery, equipment, electronic and optical components, etc.)

16%



High precision reduction gears for robots



Shutters for digital cameras

Appliance, commercial, and industrial products

34%



Air conditioner motors



Household refrigerator compressor



Blade pitch control motors

Consolidated net sales (for FY2018)

1,475 billion yen



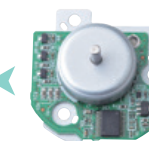
Nidec contributes to reducing power consumption by offering energy-efficient brushless DC motors worldwide, and plays a part in realizing an energy-saving and decarbonized society on a global scale by providing solutions that support the spread of renewable energy.

30%

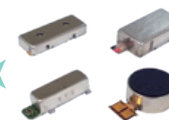
Small precision motors



HDD motors



Drive motor



Tactile device

20%

Automotive products



Traction motor system (E-Axle)



New-type sensor fusion unit



Power packs for electric power steering (EPS) systems

About the Nidec Group

Since its foundation in 1973, Nidec has been providing the world with indispensable products to improve the quality of people's lives, while developing industries as the world's leading comprehensive motor manufacturer. At the same time, we have achieved a dramatic growth, both by expanding our fields of business using active M&A and through organic growth as a driver.

Today, Nidec offers a wide variety of motors ranging from micro-size to super-large, as well as application products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other businesses. In striving to be a world-leading company, Nidec will continue to take up challenges.

Basic Management Creed



Business sites

North America

25 Group companies
4,347 employees

Europe, Middle East & Africa

95 Group companies
12,815 employees

Japan

31 Group companies
9,482 employees

The Nidec Group as of March 31, 2019

327 Group companies

108,906 employees

in **43** countries

Central & South America

19 Group companies
9,108 employees

Asia & Oceania

157 Group companies
73,154 employees

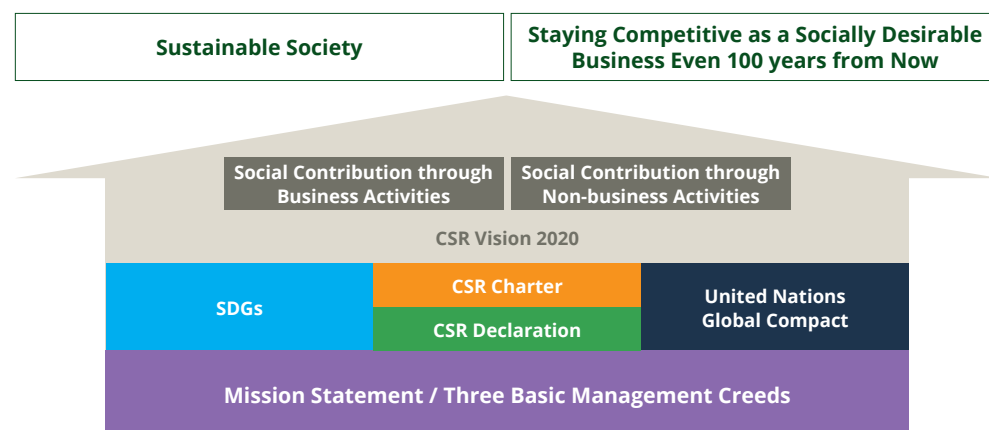


Integrity and Sustainability

CSR Rooted in Our Management Creeds and Responding to Social Expectations

Conduct business activities that contribute to realizing a sustainable society in a fair and ethical manner.

Basic concept of CSR



Since its foundation in 1973, Nidec has been engaged in business with its mission statement as the basis of its business management.

We established three basic management creeds and the CSR Charter in 2008 and the CSR Declaration on the Conduct in 2018.

The Nidec Group will implement the following three actions according to the spirit of the mission statement and the three basic management creeds:

1) social contribution through business activities, 2) sincere business management, and 3) social contribution through non-business activities.

Through these actions, the Nidec Group hopes to contribute to creating a society where people can live comfortably even 100 years from now, and to stay competitive as a socially desirable business even at that time.

Supporting and contributing to the SDGs aimed at creating value in society

The “Transforming Our World: 2030 Agenda for Sustainable Development” adopted by the United Nations General Assembly in September 2015 sets out 17 goals (Sustainable Development Goals: SDGs) as important guidelines for the international community to eliminate poverty and realize a sustainable society.

The Nidec Group supports the United Nations’ initiative to create a sustainable society. In 2015, we joined the United Nations Global Compact, which sets forth 10 principles related to issues including human rights, labor, the environment, and anti-corruption, and have committed ourselves to contributing to realizing the SDGs.



CSR Charter and CSR Declaration on the Conduct, based on which individual employees should think on their own to fulfill their responsibilities

In 2008, the Nidec Group established the CSR Charter, which stipulates the company's basic stance regarding its involvement with society, based on the United Nations Global Compact and the Code of Conduct of the Responsible Business Alliance (RBA) (former Electronic Industry Citizenship Coalition: EICC).^{*} In 2018, we formulated the CSR Declaration as more specific guidelines available globally. As a complement to the CSR Charter, the CSR Declaration comprehensively prescribes appropriate courses of action to be followed in our business operations from the perspective of social responsibility. By weaving a shared value approach into the fabric of our workplace and supply chains, we will breathe life into the Declaration.

^{*} RBA (renamed from EICC in October 2017) is an organization established with the aim of resolving social, environmental, and ethical issues in global supply chains.

CSR Charter

With a keen awareness of our responsibilities as a part of society, Nidec Group pursues the common good by offering globally welcomed products and technologies. Nidec's ultimate objective as a socially responsible business entity is to ensure sustainable growth that generates stable employment. All Nidec directors and employees are required to perform their duties in a sincere and transparent manner with full respect for the spirit of this charter and the importance of corporate social responsibility (CSR).

• 5 basic stances

1. Work Sincerely and Honestly
2. Coexist Harmoniously with the Environment
3. Respect Human Rights
4. Ensure Occupational Safety and Hygiene
5. Maintain Good Relations with Society



For more details, see the full text of the CSR Charter on our website.



CSR Declaration

Regarding the five basic stances of the Nidec Group stipulated in the CSR Charter, this specifically states what we should or should not do.

1. Business Integrity
2. Respect for Human Rights and Labor Practices
3. Harmony with the Environment
4. Workplace Health and Safety
5. Harmony with Society
6. Framework for Ensuring Efficacy



For more details, see the CSR Declaration on the Conduct on our website.



CSR Vision 2020 aimed at achieving non-financial indicators based on the medium-term strategy goal

Under the new CSR Vision 2020, formulated based on the Vision 2020 medium-term strategic goal launched in FY2016, we execute actions in eight areas of focus. These were selected from the three categories of environmental, social, and governance (ESG). The Nidec Group aims to achieve its net sales target of two trillion yen in FY2020 and 10 trillion yen in the further future. With the expansion of our business, we need to assume greater corporate social responsibility.

When selecting priority issues in the CSR Vision 2020, we focused on the perspectives of our customers, business partners, local communities, governments, employees, shareholders, civic communities, and other stakeholders. These priority issues were selected based on the levels of expectations and requests for them, grasped through dialogue with our stakeholders, as well as on their levels of importance identified in our internal survey based on the Nidec Group's corporate structure, business philosophy, strategies, etc.

CSR Vision 2020 8 areas for focus

Environment

- Environmental load reduction
- Environmental contribution through products
- Environmental conservation

Social

- Diversity
- Globally competent talents

Governance

- Corporate ethics
- Internal control
- Risk management



For more details, see "Creation of Value That Realizes a Sustainable Society" on page 8.

Mid-term strategic target, Vision2020

- Consolidated sales target: Two trillion yen
- Including a sales target for automotive products of 700 billion to 1,000 billion yen
- Consolidated operating profit ratio target: 15% or higher
- ROE (return on equity): 18% or higher
- Establishment of five regional HQ management units



For more details, see "Nidec's Growth Strategy" on our website.





Responsible Actions

Nidec and Society

Results of CSR Activities Bearing Fruit in Diverse Fields

Individual employees across the world enthusiastically address social issues and continue working with local communities.

Promoting efforts to contribute to society through non-business activities

Nidec Group companies across the world have been involved in various social contribution activities rooted in local communities where they have operations. Part of these activities are introduced below by persons in charge of the activities.

In Japan

Case 1) Since December 2013, Nidec Elesys Corporation has participated in the Ecocap Campaign to raise the awareness of employees about social contribution. This campaign is a grassroots campaign to donate polio (infantile paralysis) vaccines to children throughout the world by collecting PET bottle caps as recycling resources and using the gain on their sales to purchase vaccines. It can also help reduce CO₂ emissions by preventing caps from being disposed of by incineration. As of August 2018, approximately 82,000 caps, equivalent to polio vaccines for 98 children, have been collected. We hope that our activities will help children fighting diseases.

Masashi Tashiro
Nidec Elesys Corporation



Case 2) Nidec Corporation has dispatched employees recruited through in-house recruitment to elementary schools to provide environmental classes. The class content is originally designed to have elementary school students consider what they can do for the global environment, while learning how motors used in our daily lives work and motors' relationship with electric energy. The scale of projects is expanding year on year. We continue these activities to teach more children about the fun of manufacturing and the importance of the environment.

Tomoki Watanabe
Nidec Corporation



Outside Japan

Case 1) 2017 December, the local government held the "Decorate Your Christmas Tree" contest. A group of volunteers from different departments decided to participate the contest, and donate the prize to a charity institution. They won the first place and decided to donate the prize money to an institution that provides medical assistance for people fighting cancer in 2018 April. We are proud that the Christmas tree has become hope and bravery for the people who receives assistance from the institution, while they fight against cancer day by day.

Jorge Batres
Nidec Automotive Motor Mexicana



Case 2) Since 2010 our team has been organizing "Way to Engage" Program as a core activity to enhance the Corporate Social Responsibility awareness of the employees and ensure their engagement. The CSR activities are designed in such a way that most of the employees can participate. Each event has normally 30 to 50 volunteers. The biggest event so far has been the Coastal Clean-up, with 132 participants. Last year, we launched "Little Dreamers Project" in a small local community. Every December we spend time with the kids in community building and food sharing program.

Marvin Gil Baguion
Nidec Motor Philippines Corporation



Robust results based on the Vision 2020

The CSR Vision 2020, formulated based on the Vision 2020 medium-term strategic goal, has set eight priority issues in three areas of environmental, social, and governance (ESG). These issues consist of items assessed as having a particularly great impact on society based on the expectations and requests of our customers, business partners, local communities, employees, shareholders, and other stakeholders and on the Nidec Group's business characteristics and philosophy. All of these issues have helped promote our Group-wide efforts to contribute to society, leading to achieving robust results.

Priority Issues	Target	KPI	Key Progress
Environment			
Environmental load reduction	Consistent reduction in energy consumptions and environmental emissions attributable to operations	5% reduction (intensity) from FY2015 benchmark	<ul style="list-style-type: none"> In FY2018, greenhouse gas emissions, power consumption, and water consumption were reduced by 5.8%, 1.6%, and 20.3% at production sites, respectively, with the waste amount increasing by 9.0%, from the FY 2015 benchmark. The Smart 2030 Project*1 was launched.
Environmental contribution through products	Quantitative assessment of product-specific environmental performance	Overall framework in place for measuring total CO ₂ emissions reduced per year	<ul style="list-style-type: none"> Examination is underway on how to create a system that calculates the total amount of CO₂ reduction contributions of environmentally friendly products.
Environmental conservation	Active participation in local environmental conservation efforts	Specific action program in place at each business unit	<ul style="list-style-type: none"> The mangrove-planting project has continuously been carried out in Thailand since FY2007, and in FY2018, 257 participants planted a total of 3,500 seeds. Eco-classes for elementary school students were held nine times in Kyoto Prefecture.
Society			
Diversity	A diverse workforce and leadership	8% of all managerial positions held by women*2	<ul style="list-style-type: none"> In FY2017, the Women's Activity Promotion Office was established, with three systems (home working, staggered shift work, and by-the-hour annual paid days-off systems) being introduced. In FY2018, a spouse transfer leave system was introduced, and the comeback system was revised. The ratio of female managerial employees increased from 2.8% in FY2016 to 5.0% in FY2018.
Globally competent talents	Training programs in place on a group-wide basis	Number of program participants or workshops held	<ul style="list-style-type: none"> In FY2016, Nidec Global Business School was established, with a total of 38 employees having completed a training program. In FY2017, the Next-generation Global Business Leader Training Program started, with a total of 74 employees having completed the program. In FY2017, the overseas trainee program started, with a total of 15 employees dispatched to Germany, Spain, the U.S., and other countries.
Governance			
Corporate ethics	Code of Conduct aligned with internationally accepted standards	EICC-based CSR management system covering 80% of operations worldwide	<ul style="list-style-type: none"> CSR audits based on the RBA*3 standards were conducted at 21 major production bases in Asia and Southeast Asia. In FY2017, the Nidec Group's CSR Declaration on the Conduct was formulated. In FY2018, the Nidec Compliance Handbook was issued.
Internal control	Consistent management soundness and transparency	Strict compliance with internationally accepted corporate governance guidelines	<ul style="list-style-type: none"> The Corporate Administration & Internal Audit Department maintained the effectiveness of internal control systems, and conducted activities to improve them.
Risk management	Highly viable risk management procedures implemented on a global basis	Global risk management system adopted by all operations	<ul style="list-style-type: none"> BCP simulation drills were held at bases in and outside Japan, and a total of more than 2,700 employees have participated in the drills as of the end of FY2018. High-level risk management systems were established and implemented in approximately 70% of our business domains.

*1: Under the quantitative goal of reducing the total amount of greenhouse gas emissions in FY2030 by 30% compared to the results in FY2017, the project aims to achieve the goal by promoting energy saving and introducing renewable energy in all business sites throughout the world in the future.

*2: On a non-consolidated basis of Nidec Corporation

*3: Responsible Business Alliance (RBA) (former Electronic Industry Citizenship Coalition: EICC): The RBA Code of Conduct established by the electronic industry as standards for business activities in the global supply chain consists of the following sections: labor, safety and health, environmental conservation, management systems, and corporate ethics.

Evaluation by society



MSCI Japan Empowering Women Index (WIN)



Setting New Horizons

Challenge to New Environmental Strategies

Although global efforts have been made to address climate change issues beyond the boundaries of countries and companies, the international community has not yet come up with clear solutions to the issues.

The Nidec Group will take a new step to make a further contribution to resolving climate change issues in response to requests from society.

New Vision and Targets



Smarter Operation



Smarter Product



Smarter Action

Global trends accelerating toward the decarbonization of society

Over the past few years, extreme weather events considered to be caused by climate change have occurred frequently across the world, and have done serious damage to various areas. In Japan, too, record-breaking heavy rains and intense heat have often occurred, and more and more people really feel the impact of climate change than ever before.

Under these circumstances, trends toward environmental regulations in the global business environment are further accelerating. The Paris Agreement, adopted in December 2015, aims to limit the rise in average global temperatures to below 2°C of pre-industrial averages, with efforts to limit warming to 1.5°C. Although the international community focused on achieving the goal of limiting global warming to 2°C at that time, an increasing number of countries mainly in Europe currently aim to attain the challenging goal of limiting the temperature rise to 1.5°C. This situation proves that climate change issues have become increasingly critical, and that the international community has become more united toward realizing a decarbonized society.

The Nidec Group's new challenge

In the situation where environmental regulations are strengthened to realize a decarbonized society, the Nidec Group, which has 323 companies and 108,906 employees and operates its business worldwide, takes on a great responsibility. We believe that it is essential to realize a decarbonized society to contribute to creating a sustainable

“ It is essential to realize a decarbonized society to contribute to creating a sustainable society, in order to remain a company needed in society. ”

society, in order to stay competitive as a socially desirable business even 100 years from now and to remain a company needed in society.

To fulfil this responsibility, the Nidec Group has thus far provided various environmentally friendly products. For instance, we have helped reduce environmental burdens by offering energy-efficient motors to cut power consumption. We have also taken the lead in promoting conversion from gasoline-powered vehicles to electric vehicles by actively offering traction motors used to propel electric vehicles.

In addition to providing these environmentally friendly products, we have launched a new project called “SMART 2030” to drastically reduce the amount of CO₂ emitted by our company. Although we have set the goal of reducing the amount of CO₂ emissions on the basis of per employee and per sales amount, the SMART 2030 Project aims to reduce the total amount of CO₂ emitted through our business activities by 30% compared to FY2017, by FY2030.

The Nidec Group continues to conduct business activities with the belief that we will contribute to the world by making products that spin and move.

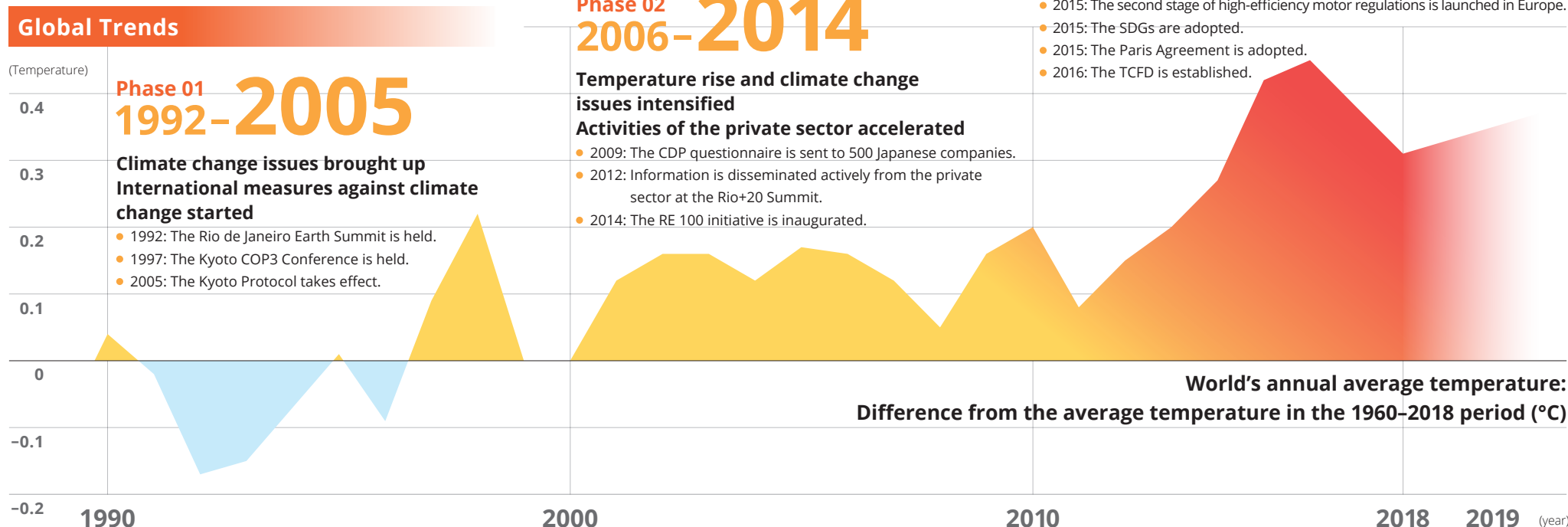


Akira Sato
Executive Vice President and CPO

Global Trends and Nidec's Efforts for the Environment

Setting New Horizons

As a global manufacturer that must contribute to resolving climate change issues, the Nidec Group continues to respond to requests for addressing climate change issues from the perspective of society and in keeping with global trends.



Nidec's Challenges and Results

1998–2007

Foundation for environmental and social management created

- 1998: Nidec acquires the ISO 14001 certificate.
- 2004: The first medium-term environmental conservation plan is launched.
- 2004: The Environmental Report is issued.
- 2004: A new environmental philosophy and policy is established.



Cover and back of the Environmental Report 2004

2008–

CSR activities grouped Environment-oriented management accelerated on a company-wide basis

- 2008: The CSR Promotion Office / Formulation of the CSR Charter is established.
- 2010: Data start to be provided to CDP.
- 2010: The Nidec Group Biodiversity Action Principles are established.
- 2015: Nidec joins the UN Global Compact.
- 2016: Nidec formulates the CSR Vision 2020.



Nidec employees plant mangrove trees in Thailand.

The Nidec Group and Climate Change Issues

Setting New Horizons

Our Action

1998–2007: Climate change emerging as a social issue / Nidec's environment-oriented management started

Worldwide discussion about climate change issues began at the United Nations Conference on Environment and Development held in Rio de Janeiro (Rio de Janeiro Earth Summit) in 1992. Under the United Nations Framework Convention on Climate Change, which was adopted at this Earth Summit, the Conference of the Parties (COP) has been held annually. Since the Kyoto Protocol was adopted at COP3 in 1997, there have been increasing social concerns about measures against environmental and climate changes.

In 1998, Nidec Corporation acquired the ISO 14001 certificate for the first time in response to social requests. In 2004, one year before the Kyoto Protocol came into force, we revised our environmental philosophy and formulated an environmental policy to enhance our environmental management system. The issuance of the Environmental Report, a predecessor of the current CSR Report, began in the same year.

Foundation for environmental management created
Start of the issuance of environmental reports

2008–2018: Escalation of climate change issues and companies' active launch of measures

Although various national governments began to take measures against climate change, no major improvements were made due to a confrontation between developed countries and emerging countries. During this time, however, the private sector, including companies and NPOs, launched actions independently.

In 2008, Nidec Corporation established an organization dedicated to CSR and formulated the CSR Charter to clarify its basic principles of CSR. At the same time, we began to create a

system to collect data on environmental burdens covering all our group companies. In 2010, we began to use CDP, an information platform to analyze and disclose corporate data on environmental burdens and corporate efforts to cope with climate change. Since then, we have continued to disclose our climate change-related data.

Environment-oriented management accelerated on a group-wide basis

2019: New challenges

Curbing climate change requires us to realize a future where we move away from fossil fuel-derived energy sources and cover almost all energy needed in the world with renewable energy-derived electricity. The Nidec Group contributes to spreading various electrical products and reducing global power consumption by providing energy-saving motors in all fields. We also contribute to spreading renewable energy through the provision of battery energy storage systems.

In addition, to reduce the amount of CO₂ emitted through our group's business activities, we launched a new project called SMART 2030 aimed at reducing the total CO₂ emissions regardless of the size of a plant and a business facility. This strategically critical project aims to launch measures to effectively address climate change issues.

Launching SMART 2030

Time to Evolve a Climate Change Strategy

The level of people's awareness of climate change issues increased after the Paris Agreement's adoption in 2015. Climate change issues are now increasingly recognized as top-priority and urgent issues of the world. The increase in the amount of CO₂ in the atmosphere is a major cause of global warming, which causes serious climate change impacts. Companies with large CO₂ emissions are required to engage in decarbonization efforts, aiming to achieve zero CO₂ emissions.



The Nidec Group has implemented a three-year medium-term environmental conservation plan since 2004, aiming to reduce CO₂ emissions per unit of sales by about 1% on a yearly basis. In this plan, even if the amount of CO₂ emissions increased, the CO₂ emissions would be evaluated as efficient if there is a larger increase in sales.

However, this evaluation method became unacceptable after the Paris Agreement was adopted in 2015.

The Nidec Group then launched a SMART 2030 Project, a new strategy to address climate change, in 2019. This project aims to reduce the total amount of CO₂ emissions in FY2030 by 30% compared to FY 2017, without adopting the evaluation method based on the CO₂ reduction per unit of sales. We at Nidec are committed to achieving a very challenging goal of significantly reducing CO₂ emissions while increasing the company's revenue and production.



The sectorial breakdown of global CO₂ emissions shows that the power generation sector accounts for the largest share of the emissions at 42%, followed by the transportation sector, at 24%*. Creating the decarbonized society envisioned in the Paris Agreement requires us to switch to CO₂-free power generation and transportation methods. The Nidec Group offers breakthrough products that help people, for example, use solar power instead of thermal power, and ride electric vehicles (EVs) instead of gasoline-powered ones.

In the transportation sector, Nidec provides traction motors for EVs, which correspond to the internal combustion engines in gasoline vehicles. Our aim in this business is to lead others in the decarbonization of vehicles, and achieve the top share in the EV market.

In the power generation sector, Nidec provides battery energy storage systems (BESSs), which stabilize renewable energy supply, to help use the energies effectively.

* Source: International Energy Agency "CO₂ Emissions from Fuel Combustion 2018"
Global CO₂ emissions (from fuel combustion, 2016)



CO₂ is emitted not only through business activities: A large amount of it is emitted from individual people's daily activities as well. In Japan, such household-generated CO₂ emissions are said to account for more than one-sixth of the nation's total CO₂ emissions.

Some suggest that preventing serious climate change requires a virtually complete elimination of carbon emissions by 2050. However tough this task may seem, it is something that each of the approximately 110,000 Nidec employees working in the world should face and try to overcome.



Smarter Operation

— Implementing SMART 2030 to Innovate Ourselves

Eyeing an electrified future, Nidec accelerates its decarbonization efforts.

SMART 2030 to Constantly Reduce the total CO₂ Emissions by 30% by FY2030

In 2019, Nidec launched SMART 2030, a project to address the global “decarbonization” trend, which sets forth qualitative and quantitative goals based on our climate change actions while anticipating our FY2030 goal by constantly monitoring progress toward it.

Nidec has in place two pillars to achieve the goal, *i.e.*, “Make our businesses more energy-efficient,” and “Adopt renewable energies actively.”

Priority measures to achieve the goal

Energy-efficient operations

- LED lighting for new facilities
- Energy-saving air conditioning
- AI-backed manufacturing processes



Nidec Sankyo Corporation employees check the company's energy efficiency.



Nidec Tosok (Vietnam) Co., Ltd.'s air conditioning equipment with an energy-saving operation control system

SMART2030

Qualitative Target

Identify and publicize:

- climate change-related risks and opportunities
- mitigation/adaptation measures

Quantitative Target

30% cut in operational CO₂ emissions by FY2030

— This is Nidec's group-wide project, covering its business sites in and outside Japan. —

Renewable electricity

- Purchase renewable electricity directly from power suppliers
- Purchase certified renewable electricity using a Green Power Certification System
- Generate renewable electricity using solar panels, etc.



Solar panels installed on the roof Nidec (Zhejiang) Corporation's building



Nidec Research and Development Center, Japan, where adopts the Green Electricity Certificate System



Smarter Product

— Energy-efficient and Environmentally Friendly Products

Nidec seeks to optimize the environmental performance of all of its products to create values that suppress and mitigate climate change.

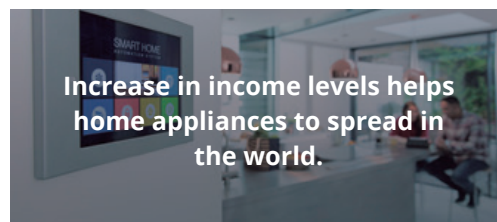
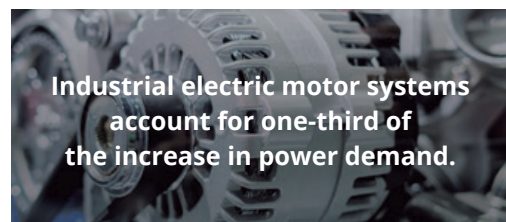
Contributing to SDG Goals 7 and 13 and Producing Products with Environmental Values More Quickly

More than a billion people are believed to be still living in areas without electricity, where the primary source of energy is thermal power, such as coal, oil, and other fossil fuels. Controlling CO₂ emissions, the cause of climate change, requires a stable electric power supply to such no-electricity areas, followed by a supply of electricity produced from CO₂-free renewable energies.

The Nidec Group has so far provided environmentally friendly products with energy-saving and long-life features, typified by energy-efficient brushless DC motors; now, however, based

on what's happening in the world, we are focused on providing products that contribute to realizing a sustainable, electrified society powered by renewable energies. Using electricity storage systems that help stabilize renewable energy supply, lightweight and high-power traction motors that are key to spreading EVs, blade pitch control motors that maximize the amount of wind that wind power generators can receive, and so many other products, the Nidec Group stays committed to curbing climate change.

Future that Nidec foresees and its areas of focus



Electricity becomes the primary means of the world's terminal energy consumption.

The Nidec Group seeks to curb and mitigate climate change by manufacturing products that are used widely in an electrified society.



Smarter Action

— Strong Action by Individual Employees

Acting under the “One Nidec” initiative as Members of the Global Society.

“I have solar energy batteries on the roof of my house to generate enough electricity for daily life, and sell surplus electricity to my country’s government.”

Wu Xueming

Nidec (Dongguan) Limited (China)

“I use an app to measure my personal carbon footprint, and try to make environmentally friendly decisions in daily life.”

Stéphane Gautreau

Nidec Leroy-Somer Holding (France)

“I avoid using a passenger car, and use a public transport system when in an urban area.”

Imre Berta

NIDEC GPM GmbH Hungary Factory (Hungary)

We must reduce CO₂ emissions to virtually zero by 2050.

What can you do as an individual?

“I would promote children’s awareness on global environmental conservation, and continue to participate in the annual mangrove planting.”

Kongkasorn Nucharat

Nidec Electronics (Thailand) Co., Ltd (Thailand)

“I would improve my factory’s manufacturing process, and reduce the facility’s industrial waste, while trying to make my entire house electric.”

Masahiro Yura

Nidec Corporation (Japan)

“I would revise my house’s air conditioner temperature settings, and reduce electricity use by switching off appliances not in use.”

Susumu Yoshida

Nidec Machinery Corporation (Japan)

Creating Sustainable Values

Creating Values to Realize a Sustainable Society

The Nidec Group supports the UN initiatives aimed to create a sustainable society.

In addition to being part of the UN Global Compact that upholds ten guiding principles in the areas of human rights, labor, the environment, and anti-corruption, and we are committed to helping realize the SDGs.



The SDGs (Sustainable Development Goals) are the set of global targets adopted by the United Nations in 2015, comprised of 17 goals that we must achieve by 2030 to realize a sustainable society.

SDGs on Which the Nidec Group Places a Special Focus



Ensure healthy lives and promote well-being for all at all ages



Ensure access to affordable, reliable, sustainable and modern energy



Build resilient infrastructure, promote sustainable industrialization and foster innovation



For more details, see "Accelerating the Decarbonization of Society" on page 19.



For more details, see "Contributing to the Spread of EVs" on page 20.



For more details, see "Eliminating Labor Shortage" on page 18.



Make cities inclusive, safe, resilient and sustainable



Ensure sustainable consumption and production patterns



For more details, see "Business Activity-based Environmental Burden Reduction" on our website.



Take urgent action to combat climate change and its impacts



For more details, see "Accelerating the Decarbonization of Society" on page 19.



For more details, see "Contributing to the Spread of EVs" on page 20.



The intensifying problem of the dwindling birthrate and aging population causes a serious labor shortage. Securing an enough number of transportation workers is becoming increasingly difficult in distribution centers and plants, which more manpower is expected to be in need in the future. To help address this issue, the Nidec Group provides labor robots capable of performing physically demanding work.

Case 1

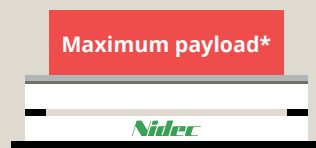
Next-generation autonomous transport cart S-CART®, which does more than carrying loads **S-CART**

The S-CART, the series of autonomous, flexible and convenient transport robots that Nidec developed to carry various large, heavy loads by themselves, have such features as: 1) remote control by tablet terminal; 2) magnet tape-free guideless navigation based on a laser measurement system and a floor layout memory function; and 3) compact design capable of long-time operation with the use of a high-capacity lithium battery. After debuting in December 2018, the S-CART 500 has proved to be capable of carrying a payload of up to 500 kg despite its size, which is compact enough for the product to be used in such small facilities as distribution centers. These features, combined with its merit of low-floor performance, significantly increased the S-CART series' applications in logistics settings. The S-CART series will continue to use the sensing, the robotics, and many other technologies that the Nidec Groups is focused on as we try to further expand its applications.



"S-CART500"

Nidec's "Strength" that Has Impact on Society



Maximum payload*

500 kg

* Maximum payload varies depending on the models of the series.

Our Story



Hitomi Yoshida
S-CART Business Unit, Nidec-Shimpo Corporation

For More flexible and Simpler Transport Operations

The term "chronical labor shortage due to dwindling birthrate and aging population" is used so frequently now. The logistics industry, in particular, is said to have difficulty in soliciting female and senior workers due to its nature, and conventional image, as an industry that requires physically demanding, standing work. We developed the "S-CART," an autonomous transport cart, to help resolve this issue. Nidec-Shimpo had long provided automated guided vehicle

(AGV) units that have reduction gears, motors, and controllers for a long time, before launching AGVs themselves.

As explained in the left section of this page, the S-CART is a magnet tape-free AGV that runs on guideless navigation whose layout you can change flexibly. The cart's other autonomous features include deciding a destination based on the goods it carries, and avoiding obstacles by itself. Among all the S-CART series models, I would personally recommend S-CART 500, a general-purpose AGV that has a maximum transport capacity of 500 kg, together with other features such as a conveyor, a lifter, and a robot, all of which enable the cart to fully demonstrate its functions as a transport robot. The cart, also equipped with a function to follow a person or a cart, is designed to work with humans as well. As the term "follow" suggests, the cart literally follows you, and you will soon start feeling as if the cart were your own pet. Some female users have even commented to me how cute the cart is, that it stimulates their maternal instinct, etc.

As labor shortage is said to intensify even further, we stay committed to engaging in product development and improvement so that our S-CART models can work in various places and environments, from factories to warehouses to hotels to commercial facilities.



In 2018, the IPCC*¹ released the Special Report on Global Warming of 1.5°C, which calls on limiting the rise in global average temperatures to 1.5°C of pre-industrial averages. Based on this report, global trends toward the decarbonization of society are accelerating. The Nidec Group, which has contributed to energy saving through the provision of highly efficient motors and related products, is also exploring ways to make a further contribution to the global environment, tackling another challenge to create energy.

Case 2

Battery Energy Storage Systems that Support the Use of Renewable Energies

Power generation from renewable energies such as wind and solar energy are affected by weather conditions. Electricity supply cannot constantly meet demand and the supplied electricity does not conform to frequency standards (Hz). These power problems, including power failure and unstable power quality, occur frequently throughout the world and serve as barriers to the realization of a decarbonized society.

To resolve these problems, Nidec ASI S.p.A. has focused on microgrid technology, which ensures optimum power management on a regional basis through the integration of various power generators and storage batteries, taking advantage of its knowledge of industrial power systems and power quality. In particular, special attention is paid to BESSs*², which can store surplus power to ensure stable power supply at the time of power shortage, as a core technology, and a project aimed at establishing large-scale BESSs in various parts of Europe has been underway. Through the project, the total operating capacity of BESSs has reached 552 MWh (the volume that can cover the power consumption of 100,000 households for more than one year) as of the end of FY2018. This project is attracting considerable attention in European countries, which are ahead of other countries in terms of initiatives for limiting warming to 1.5°C, as well as emerging countries, which are advancing the creation of power infrastructure toward economic growth.

*1: Intergovernmental Panel on Climate Change: A body set up by the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) in 1988 to conduct surveys and offer recommendations on climate change.

*2: Battery Energy Storage System



BESSs supplied to STEAG GmbH in Germany

"Achievements" that have an impact on society



Total operating capacity as of the end of FY2018

552 MWh

* The volume that can cover the power consumption of 100,000 households for more than one year.

Our Story

Ensuring a Stable Energy Supply Worldwide

The BESSs, produced by Nidec ASI S.p.A., based in Milan, Italy, are growing into the main pillar of Nidec's renewable energy business. In 2016, Nidec ASI drew attention by supplying BESSs with a total capacity of 90 MW, which is the world's largest capacity to date, to STEAG GmbH, a leading power company in Germany. According to a survey conducted by Bloomberg New Energy Finance, the total global operating capacity of BESSs produced by Nidec ASI is more than 500 MWh, which is ranked top in the world.

With this background, I attended the Innovation for Cool Earth Forum (ICEF), an international conference held in Japan in October 2018, on behalf of the Nidec Group. At the ICEF, approximately 1,000 people from academic, industrial, and governmental circles in about 80 countries and regions discussed the resolution of climate change issues. At the subcommittee "Renewable Energy Microgrid and Energy Access," I gave a presentation on the microgrid solution business, including BESSs, citing our company's case. In the presentation, I introduced the value provided by BESSs and their future issues through a case example where the establishment of a demand-side area power system for renewable energy in a mountain village in Chile enabled local residents to receive a stable power supply 24 hours a day, 365 days a year.

Due to the spread of the use of renewable energy on a global scale, the global BESS market is continuing its rapid growth by an annual average of 10% to 15%. I anticipate that this strong growth will continue for at least the next 10 years. I would like to continue to contribute to ensuring a stable power grid in the world and realizing a decarbonized society through the spread of high-quality and state-of-the-art BESSs as a market leader.



Franck Girard
Chairman & Managing Director, Nidec ASI s.a France



To address climate change issues, which are becoming increasingly severe, the use of electric vehicles (EVs) is one of the most effective measures that both companies and households can implement. In response to the continuously growing expectations of the international community, the Nidec Group contributes to the spread of EVs by reducing the price and improving the quality of traction motors, which are the heart of EVs, and traction motor systems, taking advantage of technologies that it has cultivated.

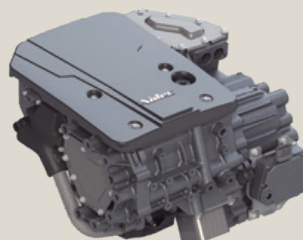
Case 3

Compact and Powerful traction Motors that Accelerate the Electrification of Vehicles

There is currently a pressing need to make various EV systems more light-weight, compact, and highly effective toward the further penetration of EVs. In particular, a major theme is technological innovation in traction motors, which serve as the engines of EVs, and their peripheral equipment, which controls motor drive.

Since 2010, the Nidec Group has engaged in the traction motor business based on its wealth of knowledge about in-vehicle and small precision motors. Consequently, we developed an E-Axle traction motor system integrating a motor, an inverter, and a gearbox. This integrated traction motor system comprised of a motor, which is a delicate electronic component, and a gearbox associated with vibration, features great compactness and light-weight. For instance, the Ni 150F series models for B-segment electric vehicles* have achieved a weight of 87 kg, with the motor volume being about half of the same output-level products provided by competitors. Another strength of this system is that a new cooling system uniquely developed by us enables the motor to rotate with high efficiency and at a high output in spite of its compact size. This traction motor system has begun to be mounted on various models of vehicles.

* B-segment EVs are those with an overall length of 3,750 mm to 4,200 mm, and ordinary compact cars fall into this category.



Traction motor system
"E-Axle" Ni 150 F series

"Light-weight" that has an impact on society



87 kg

* Weight varies depending on the series model.

Our Story



Takanobu Oyama

Design Department, R&D Division,
ATMS Business Unit, Nidec Coporation

For a Future Where the Use of EVs Are Common

To realize the decarbonization of society, which is a common global issue, the spread of EVs is indispensable. We planned to develop compact and light-weighted next-generation traction motors which have high efficiency that enables EVs to stably run a long distance and which can provide automotive manufacturers with the freedom to design vehicles.

It is necessary to develop highly efficient motors to enable EVs to stably run a long distance. Nidec has adopted a two-way oil cooling system unique to it to allow for the realization of ideal heat management.

To promote the spread of EVs, it is necessary not only to develop environmentally friendly EVs, but also to lower the price of EVs to enable consumers to easily purchase them. Accordingly, we have completely sought to increase the quality of our motors as well as to reduce their cost, and have realized a low-cost Axle traction motor system by integrating three components—a motor, a gearbox, and an inverter—and attaining the miniaturization of the system. The price of EVs is significantly affected by the cost of in-vehicle motors. If in-vehicle motors come down in price, the price of EVs also drops. Developing low-cost and highly efficient in-vehicle motors promotes the development of EVs and has a profound impact on the spread of EVs.

We are planning to further develop the E-Axle traction motor system, which is just a module, in the future. We will propose not only the E-Axle traction motor system as a single item, but also the entire vehicle platform, consisting of batteries, chassis, and other modules, to automotive manufacturers. Moreover, we will advance the development of the E-Axle traction motor system to make it more compact and light-weight, aiming to offer more than our competitors. Through such development, we would like to accelerate the spread of EVs and make the use of EVs common worldwide to contribute to the decarbonization of society.

To Those Who Want to Know More about Us

The Nidec Group is endeavoring to make complete and detailed disclosure of our information to people in society to promote a better relationship with them through the active dissemination of information.

Major media through which our corporate and CSR information is disclosed

Corporate website

A wide range of corporate information, including information on products and technology, is provided.



 <https://www.nidec.com/en/>

* Offered in Japanese, English, and Chinese.

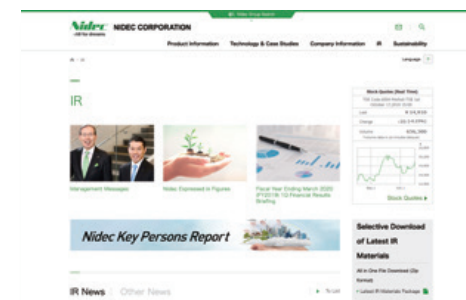


IR site

IR-related information for investors and IR news are provided in a timely manner.

* Offered in Japanese and English.

 <https://www.nidec.com/en/ir/>



CSR site

Our CSR Reports and more detailed CSR information are provided.

* Offered in Japanese, English, and Chinese.

 <https://www.nidec.com/en/sustainability/>



Nidec's digital newsroom

Here you can find the latest news about the Nidec group in English.

* Offered in English only.

 <https://www.mynewsdesk.com/us/nidec>

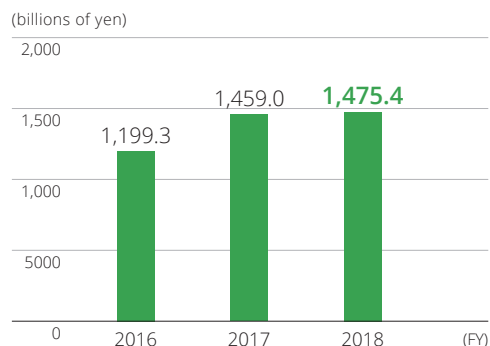


Corporate Profile

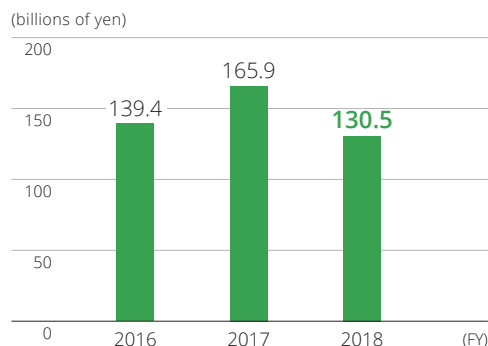
Company name	NIDEC CORPORATION
Address	338 Kuzetonosiro-cho, Minami-ku, Kyoto 601-8205, Japan
Founded	July 23, 1973
Brand name	Nidec
Paid-in capital	JPY87.78 billion (as of March 31, 2019)
Representative	Shigenobu Nagamori Founder, Chairman and CEO Hiroyuki Yoshimoto President and COO
Total shares issued	298,142,234 (as of March 31, 2019)
Stock listings	First Section, Tokyo Stock Exchange

Financial Condition

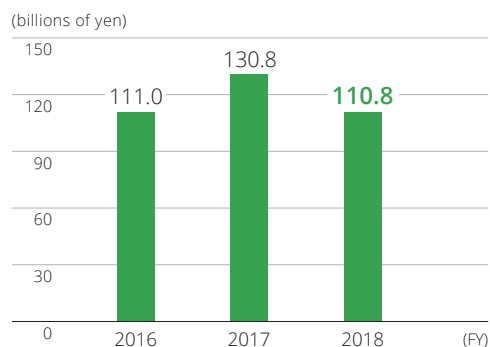
Sales (Consolidated)



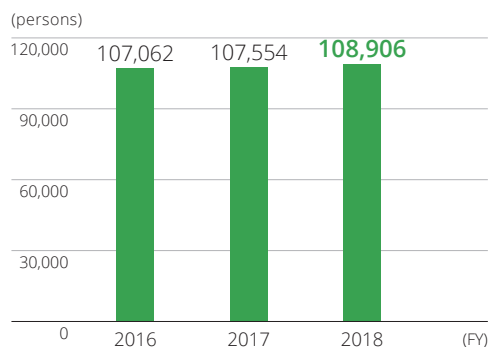
Operating Income (Consolidated)



Current Net Income (Consolidated)



Number of Employees (Consolidated)



About the CSR Report 2019

Corporate Information

Editorial Policy

It is the Nidec Group's important business management issue to fulfill its corporate social responsibility (CSR), and incorporate sustainable development into its business activities. In fulfilling our CSR, dialogue, cooperation, and collaboration with our group's stakeholders (mainly customers, supply chain partners, local communities, employees, shareholders, and the global environment) are essential. It is in contribution to this effort that we have been issuing this report, a compilation of the Nidec Group's CSR policies and philosophies, action results, and issues, every year since 2004. In addition to this report, which is a digest of our CSR-related information, please read the CSR page of our corporate website for more details.

Scope of Report

Our CSR Report 2018 focuses mainly on the headquarters, domestic and overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec-Shimpo Corporation, Nidec Copal Electronics Corporation, Nidec Elesys Corporation, Nidec-Read Corporation, Nidec Servo Corporation, Nidec Machinery Corporation, Nidec Global Service Corporation, Nidec Copal Corporation, and Nidec Seimitsu Corporation.

Reporting Guidelines

Environmental Reporting Guidelines 2018, Ministry of the Environment of Japan
GRI Sustainability Reporting Standard

Reporting Period

With a main focus on the company's activities during FY2018 (April 2018–March 2019), this report includes activities ongoing from the past as well as information on the latest activities.

Publication

November 2019 (Previous edition: December 2018; Next edition: Scheduled for November 2020)

Publishing Office

Investor Relations & CSR Promotion Department, Nidec Corporation

Editor's Note

The Nidec Group, which has continued to expand its business scale on a daily basis and has established relationships with diverse people in society, is required to engage in CSR aimed at understanding and meeting social needs. The first requirement in the current international community is to realize a sustainable society. We should have all of our approximately 110,000 employees know that this is also our goal as a company that seeks to stay competitive as a socially desirable business even 100 years from now.

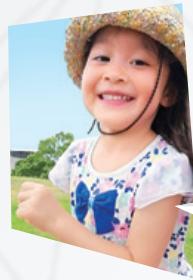
In this fiscal year as well, we are distributing Japanese, English, and Chinese versions of the CSR Report 2019 to all of our employees worldwide. I hope that this CSR Report will act as a trigger for Nidec employees to understand how they should engage in CSR to conduct business, and for people outside the company to know our efforts toward the realization of a sustainable society.



Masahiro Nagayasu
General Manager,
Investor Relations &
CSR Promotion Department

● Cover photos and pictures

Featured on the front and back covers of this report are lively snapshots of Nidec employees' jolly-looking children and pictures drawn by them, capturing their happy little moments of harmonious contact with nature. The Nidec Group envisions a sustainable future where a harmonious balance between nature and human activities safeguards the interests of children and generations beyond.



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This brochure is printed on FSC® -certified paper using vegetable oil ink and a waterless printing process to reduce our impact on the global environment.