



**Aiming to become
the world's leading
comprehensive
motor manufacturer**

Integrated Report 2021

NIDEC CORPORATION

Nidec's founding mission is to provide comprehensive, top-quality motor solutions well capable of making a globally meaningful difference.

Nidec is committed to addressing critical global challenges at every stage of its business activities.

Global Challenges ①

Carbon Neutral Society

Global CO₂ emissions in 2018

Approx. **33.5** billion tons

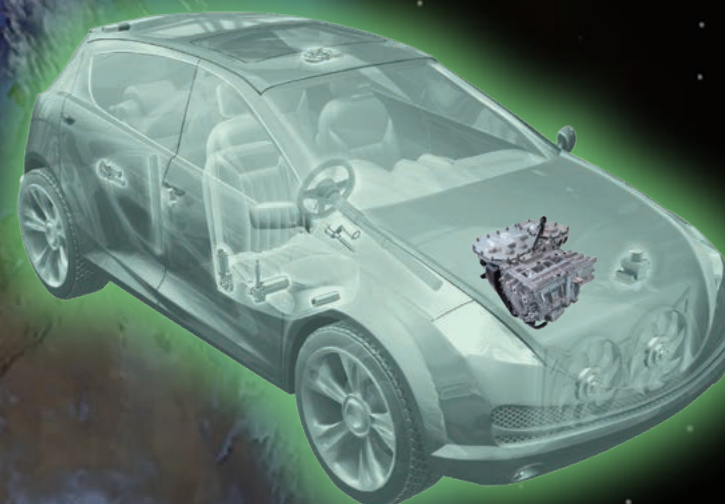
Approximately 23% of the world's carbon emissions come from transportation.

* International Energy Agency (IEA) report (2020)

Extreme weather events occurring around the world today are widely assumed to stem from global warming—a phenomenon caused by human-induced greenhouse gases (GHGs)—of which 70% is attributed to CO₂ emissions. The Paris Agreement, a landmark international accord adopted in 2015, is pushing for a strong global response pivotal in achieving carbon neutrality worldwide by 2050. Given the fact that transportation accounts for about 23% of the world's carbon emissions, automotive decarbonization can play a huge role in making it happen.

Our initiatives

To combat global warming, the whole automotive industry is racing toward vehicle electrification. The number of new electric vehicles to be sold in 2030 is expected to increase several-dozen-fold from 2020. In recent years, Nidec's EV traction motor systems, collectively known as E-Axle, have been powering an increasing number of electric vehicles on the road, keeping our path to market leadership aligned with the industry's decarbonization goal.



E-Axle, an EV traction motor system

Global Challenges ②

Declining Birthrate and Aging Population

A projected decrease in the working age population (15 to 64) in China

Approx. **170** million people

(Forecast 2020-2050)

* UN World Population Prospects 2019

Declining birthrate and aging population are causing workforce demographics to shrink in high GDP economies, including the U.S., China, Europe and Japan. China, generally known as the “world’s factory,” is likely to be hardest hit, with its working age population projected to decline by approximately 170 million between 2020 and 2050. How to make up for the shortfall is the key to maintaining productivity.

Our initiatives

Industrial robots are drawing a great deal of attention as a viable solution to this problem. Nidec places a strategic focus on the development of motors and reducers for arm robots used in a vast range of industrial fields.



Reducer lineup



Servo motor

Global Challenges ③

Digitalization

Global data traffic in 2025

175 zettabytes

* Materials for Intel Architecture Day 2020

* 1 zettabyte = 1 billion terabytes



HDD motor

The COVID-19 pandemic and associated national emergency procedures, including lockdown restrictions, rapidly increased our reliance on various digital platforms, leading to a boost in overall data traffic with more people getting online for shopping, working and education purposes. Network data traffic will continue to grow as the Internet of Things (IoT) and artificial intelligence (AI) become woven further into the fabric of society, smartphones catch on in emerging countries, and 5G networks take hold across the world. Global data traffic is expected to triple between 2020 and 2025 to an estimated 175 zettabytes.

Our initiatives

Datacenters rely on a large quantity of hard disk drives (HDDs) for online storage and long-term archiving, collectively known as nearline storage. At the same time, they are facing a pressing need for more effective thermal management to prevent their servers from overheating. Nidec’s HDD motors and cooling fan systems come with mission-critical functionalities that fit the demanding requirements of today’s datacenters.

Welcome to Nidec Integral Report 2021

Sustainable business growth takes hold when strategies align closely with solutions to universal issues. That is a firm belief of mine and the common thread running through our growth-oriented thinking.

This is the launch issue of Nidec Integrated Report that reflects our motivation to give a fresh insight into our historical, ongoing strengths and weaknesses in the context of the rapid paradigm shift now getting underway. Integrated Report 2021 provides financial and non-financial information that sets the scene for Nidec's sustainable growth and value creation going forward. It aims to help our stakeholders stay informed of the progress on Nidec's key initiatives, including the outline of the new medium-term strategic goal Vision 2025, our technological and financial strategies, as well as a discussion on material ESG issues that may have a particular impact on society and the company's business sustainability.

We would be happy to see it facilitate active dialogue with our stakeholders. Embedding stakeholder insights into all aspects of our operations will enable us to navigate and grow in ways consistent with stakeholder expectations even during this period of unprecedented change and uncertainty.

This report has been created with reference to the International Integrated Reporting Framework published by the Value Reporting Foundation (VRF) and the Guidance for Collaborative Value Creation released by the Ministry of Economy, Trade and Industry.

We hope this report gives you a good picture of our sustainability journey and look forward to receiving your valuable, candid feedback.

Shigenobu Nagamori

Founder, Representative Director and Chairman

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Reporting Period

April 1, 2020–March 31, 2021

This report includes information before and after the reporting period.

Reporting Guidelines

- International Integrated Reporting Framework, Value Reporting Foundation (VRF)
- 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.





Aiming to become a global company that continues to grow for the next 100 years and beyond

Nidec's Mission

Nidec will celebrate its 50th anniversary in 2023. Nidec, which I established with my three colleagues in 1973, has grown to a company that achieved consolidated net sales of 1,618.1 billion yen and an operating profit of 160.0 billion yen in FY2020. We will never remain satisfied with our growth to date, and will continue to accelerate our further growth, aiming to become a company with consolidated net sales of 10 trillion yen by FY2030.

We aim to become a global company that continues to grow for the next 100 years and beyond. I believe that recognizing Nidec's mission and the significance of its existence will be important for our further growth. Keeping in mind again its mission, which is to contribute to the Earth by producing the highest quality motors in the world, and the significance of its existence, which is to provide products and solutions required by society, we will work together as a group toward our growth.

In the first half of FY2021, the business environment surrounding our company was not smooth, mainly due to a drastic decrease in the operation rate of our production site in Vietnam, which was caused by the spread of the COVID-19 pandemic. It is quite possible that we will face such adversity again. I recognize that it is extremely important for us to return to the starting point of Nidec and continue to take on challenges, while always thinking about "How we can do it" and "How we tackle challenges and go through what others think they cannot do" without using adversity as an excuse, so that we can continue to fulfill Nidec's mission.

Change in the Business Management System

In June 2021, I handed over my position as CEO (Chief Executive Officer) to President Seki. His management style is very similar to mine, and I believe he is the right person to be the CEO in terms of quick decision making, leadership and humanity. From now on, President Seki will assume responsibility for the business performance of the Group as CEO. As Representative Director and Chairman, I will continue to participate in the important management decision-making process of the Nidec Group, supporting President and CEO Seki. I will also put even more effort into the work that I am supposed to as the founder. I will work on my duties with more passion than ever before, including ensuring that our mission statement is well understood by the management teams and employees, examining new M&A deals, improving management after M&A, and dealing with long-term business management issues.

A change in the business management system does not produce results overnight. It takes time to learn the management philosophy of Nidec, which has continued to grow for 48 years since its foundation. As an assistant to the CEO, I will do my utmost to support President Seki until he learns Nidec's management style and takes control of business management.

I expect that he will grow further as the leader of Nidec by learning by himself that there is a good chance for Nidec to grow in tough times when we face adversity in our business, and that difficult circumstances will sustain our growth.

Implementation of Necessary Reforms

It can be said that we are currently facing the greatest opportunities since our founding. First of all, our EV traction motor system E-Axle has contributed to the trend of automotive electrification, which is said to occur once every 100 years. Moreover, we see a dramatic expansion of the fields where our motor technology can provide solutions to global issues, represented by the Five Big Waves.* In addition to seizing such opportunities, we will not hesitate to make the necessary reforms to make Nidec a global company that continues to grow for the next 100 years and beyond. We have already implemented the necessary reforms for the sustainable growth of the company, including the declaration of achievement of carbon neutrality, personnel system reforms (change in the appraisal system to improve productivity, transition to a job-based personnel system, etc.), and the enhancement of the governance system (transition to a company with an Audit and Supervisory Committee and the establishment of the Remuneration Committee). Our business environment is changing day by day. Under these circumstances, we will continue to steadily implement the necessary reforms, keeping in mind the spirit that a company that does not change will decline, as conveyed by the quotation: "A snake that doesn't shed its skin will die."

* See pages 19 and 20.

December 2021

Shigenobu Nagamori

Founder, Representative Director and Chairman

Striving to achieve consolidated net sales of 10 trillion yen

On the Inauguration of CEO

At the general meeting of shareholders in June 2021, I was appointed as CEO in place of the founder and Chairman Nagamori. Although I have become CEO, I will never stop aiming for lofty goals for growth, which Chairman Nagamori has continued to pursue since the company was founded.

To achieve the new medium-term strategic goal Vision 2025, which is an intermediate goal toward achieving consolidated net sales of 10 trillion yen by FY2030, I will strive in my daily work while making the most of my experience and remaining humble to learn.

Business Environment in FY2021

At the same time as the announcement of the financial results for the 2nd Quarter of FY2021, we revised our business forecasts upward for this fiscal year. The new business forecasts are 1,800 billion yen for consolidated net sales and 190 billion yen for operating profit. In the first half of this fiscal year, the business environment was severe for us due to a drastic decrease in the operation rate of our production site in Vietnam, which was caused by the spread of the COVID-19 pandemic, production adjustment by customers, and the rising prices of raw materials. I recognize that our business environment will be still challenging in the second half of this fiscal year. Without using adversity in our business environment as an excuse, we will return to the basic spirit of Nidec, "Do it now; do it without hesitation; do it until completed," and make every effort to achieve our goals.

New Medium-Term Strategic Goal Vision 2025

In July 2021, we announced the new medium-term strategic goal Vision 2025, in which we plan to achieve consolidated net sales of two trillion yen, which was the target value in the former medium-term strategic goal "Vision 2020," by FY2022, and consolidated net sales of four trillion yen by FY2025 (one trillion yen is expected to be gained through new M&A deals). By shifting our business portfolio to high-growth fields, represented by the EV traction motor system E-Axle in the automotive business, we will achieve our goals of consolidated net sales of 10 trillion yen by FY2030. In Vision 2025, we have set not only numerical targets but also ESG targets, including declaring the achievement of carbon neutrality by FY2040. Recognizing that ESG management is the core element that determines Nidec's sustainability and growth potential, we will steadily advance reforms.

Automotive Business

To achieve the new medium-term strategic goal Vision 2025, high growth in the automotive business will be essential. We have already received orders for 3.5 million units of E-Axle, an EV traction motor system, for FY2025, and we expect that orders will continue to increase in the future. With the tightening of environmental regulations around the world, the EV market is expected to expand to a market of tens of millions of vehicles annually in the 2030s. Consequently, major structural changes are occurring, including the rise of emerging EV manufacturers, entry into the EV market from different

industries, and the acceleration of fabless manufacturing. We have begun to consider collaboration with the Hon Hai Group in Taiwan, which is the world's largest electronics manufacturing service (EMS) company. We will accurately grasp the big waves of change in the automotive industry and further accelerate the growth of our business.

ESG Management

We recognize that ESG management is an important element for the sustainable growth of Nidec, and we have decided to incorporate it into the goals of Vision 2025. As actions to address climate change, which is one of the most important ESG issues, we have set two goals: (1) achieving carbon neutrality for business activities (Scope 1 and 2) by FY2040, and (2) laying out a plan to reduce CO₂ emissions in the supply chain (Scope 3) by FY2025. Regarding the personnel system, we changed the appraisal system in FY2020. For the governance system, we shifted to a company with an Audit and Supervisory Committee in June 2020 and established the Remuneration Committee in February 2021. Thus, we will steadily improve the ESG management system.

December 2021



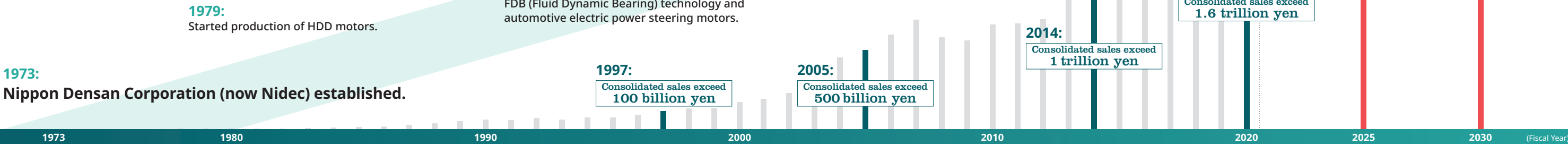
Jun Seki

Representative Director and President
(Chief Executive Officer)



History of Nidec Corporation

As the world's leading comprehensive motor manufacturer, Nidec has achieved continuous growth through business diversification and by continuing to meet the needs of society.



1973-1980:

The big dream of four men started in a small prefabricated shed

On July 23, 1973, Shigenobu Nagamori, who was then 28 years old and who now serves as Representative Director and Chairman, established Nippon Densan Corporation (now Nidec Corporation) with three friends 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. Mr. Nagamori flew to the United States, where he visited promising enterprises without appointments to cultivate new customers.

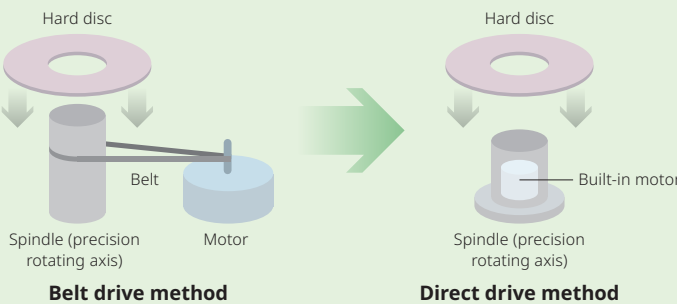


In front of the prefabricated shed where the company started (Nagamori, now Representative Director and Chairman, lower left)

An encounter with the brushless DC motor

Fascinated by brushless DC motors, which feature low noise, long life and compact size, Nagamori was immersed in its research in his school days. However, the brushless DC motor market was still small in those days, and brushless DC motors were used only for limited applications such as fish finders.

At the request of an electric equipment manufacturer in the United States, Nidec developed a direct-drive*1 motor for hard disc drives (HDDs) using brushless DC technology, and successfully launched mass production in 1979. Nidec's direct-drive brushless DC motor enabled miniaturization and high storage capacity of HDDs, and the HDD rapidly became widespread as a computer storage device. Since then, brushless DC motors have been the pillar of Nidec's business. As the world's No.1 manufacturer of brushless DC motors, Nidec has established a dominant position in a broad range of markets from IT and automotive devices to home appliances.



1981-2000

Social trends

Takeoff and expansion of the PC market

Nidec's initiatives

Nidec becomes the world's top HDD motor manufacturer

In 1983, business-use personal computers (PCs) equipped with HDDs capable of high-speed, random processing were released in the United States, and PC demand expanded rapidly. In response to the miniaturization of PCs, Nidec, which had produced motors for 5.25-inch HDDs from 1981, launched the production of 3.5-inch and 2.5-inch HDD motors in 1984 and 1988, respectively. In 1989, Nidec acquired a competitor called Shinano Tokki Co., Ltd., thereby capturing a 90% share of the global HDD motor market. In 1984, Nidec acquired the axial-flow fan business of US company Torin Corporation, and started the production of brushless DC fans for PCs and office equipment. Furthermore, Nidec developed a comprehensive family of small precision motors for IT equipment, whose market was growing. In 1998, Nidec was listed on the first section of the Tokyo Stock Exchange.

*1 Belt drive method and direct drive method
In those days, AC motors were used to drive HDDs, and the belt drive method, which uses a belt to spin the spindle (precision rotation axis), was the mainstream. Belt-drive HDDs were used mainly as storage devices for large computers. In order to spread computers to ordinary people, it was essential to miniaturize and increase the storage capacity of HDDs, and what made this possible was the direct drive method, which integrates the spindle and motor in a single unit. Nidec played a critical role in developing and commercializing a direct drive spindle motor for HDDs.

2001-2010

Social trends

Spread of the Internet and emergence of new digital devices

Nidec's initiatives

Strengthening the HDD motor business and promoting business diversification

In 2001, Nidec was listed on the New York Stock Exchange. In 2003, construction of the company's Head Office and Central Technical Laboratory building was completed in Minami-ku in the city of Kyoto. To meet the increasing demand for HDDs with higher density and capacity, Nidec introduced fluid dynamic bearing (FDB) technology*2 and in 2000, launched mass production of HDD spindle motors that use FDBs. Having succeeded in shifting to this new technology, Nidec has firmly established its position as the world's top HDD motor manufacturer.

In the meantime, Nidec strengthened its business of mid-sized motors used in automobiles, home appliances, and commercial and industrial equipment, thereby diversifying its business portfolio. Nidec launched the production of motors for electric power steering in 2000, and also expanded its motor business, focusing on motors for home appliances such as air conditioners, cleaners, washing machines, and motors for water supply pumps.

With the launch of the first smartphone in 2007 and the first tablet in 2010, global shipments of PCs and HDDs thereafter declined.

*2 Fluid Dynamic Bearing (FDB)
In the FDB chamber there is a fluid such as oil between the bearings and the shaft. When the shaft rotates, the fluid's dynamic pressure generated by the rotation lifts the shaft from the bearings and rotates it smoothly. Although ball bearings were used conventionally, low noise and low vibration have been achieved by shifting to FDBs.

2011-2020

Social trends

Permeation of smart devices into people's everyday lives and increased awareness of climate change

Nidec's initiatives

Growing into a global comprehensive motor manufacturer through M&As

Nidec established Nidec Research and Development Center, Japan in 2014 and Nidec Center for Industrial Science in 2015 to promote basic research on motors and realize technological innovation in manufacturing. In the meantime, against the background of decreased demand for HDD motors, Nidec conducted major structural reforms, shifting its growth focus to automotive, appliance, and commercial and industrial products. At the same time, Nidec conducted many M&As with companies that have strengths in these fields. In FY2017, sales of the appliance, commercial and industrial products business exceeded those of the precision small motor business, which had been Nidec's core business since its founding. Nidec has thus grown into a comprehensive motor manufacturer offering a wide variety of motors ranging from micro-size to large, which are used in various industrial fields.

Looking ahead to the decarbonization trend, Nidec developed an EV traction motor system called E-Axle and launched its mass production in 2019.

2021-

Social trends

Progress of decarbonization and an aging population with a lower birthrate

Nidec's initiatives

Becoming a growth company that can respond dynamically to environmental changes

Nidec is striving to provide solutions to common issues of humankind in five areas that align with global mega trends: "automotive electrification," "expansion of robot applications," "home appliances driven by brushless DC motors," "manpower-saving in agriculture and logistics," and "spread of next-generation technology stemming from 5G communications." Nidec is committed to actively engaging with the Sustainable Development Goals (SDGs) and will contribute to building a sustainable and prosperous society through various initiatives including the "2040 Carbon Neutral Declaration."

Business Strategy

Business strategies that distinguish Nidec from other companies

Q. 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?

A1. — 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.

A2. — 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 16 months. Nidec clearly practices speedy management.

A3. — 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 110,000 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)

Nidec's DNA

Corporate culture that turns adversity into opportunity for growth

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

A1. — 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 "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.

② "Work hard and smart"

Work hard and smart to produce output that cannot be achieved just by working in an ordinary way.

③ "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.

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.

A2. — 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.

A3. — 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.

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

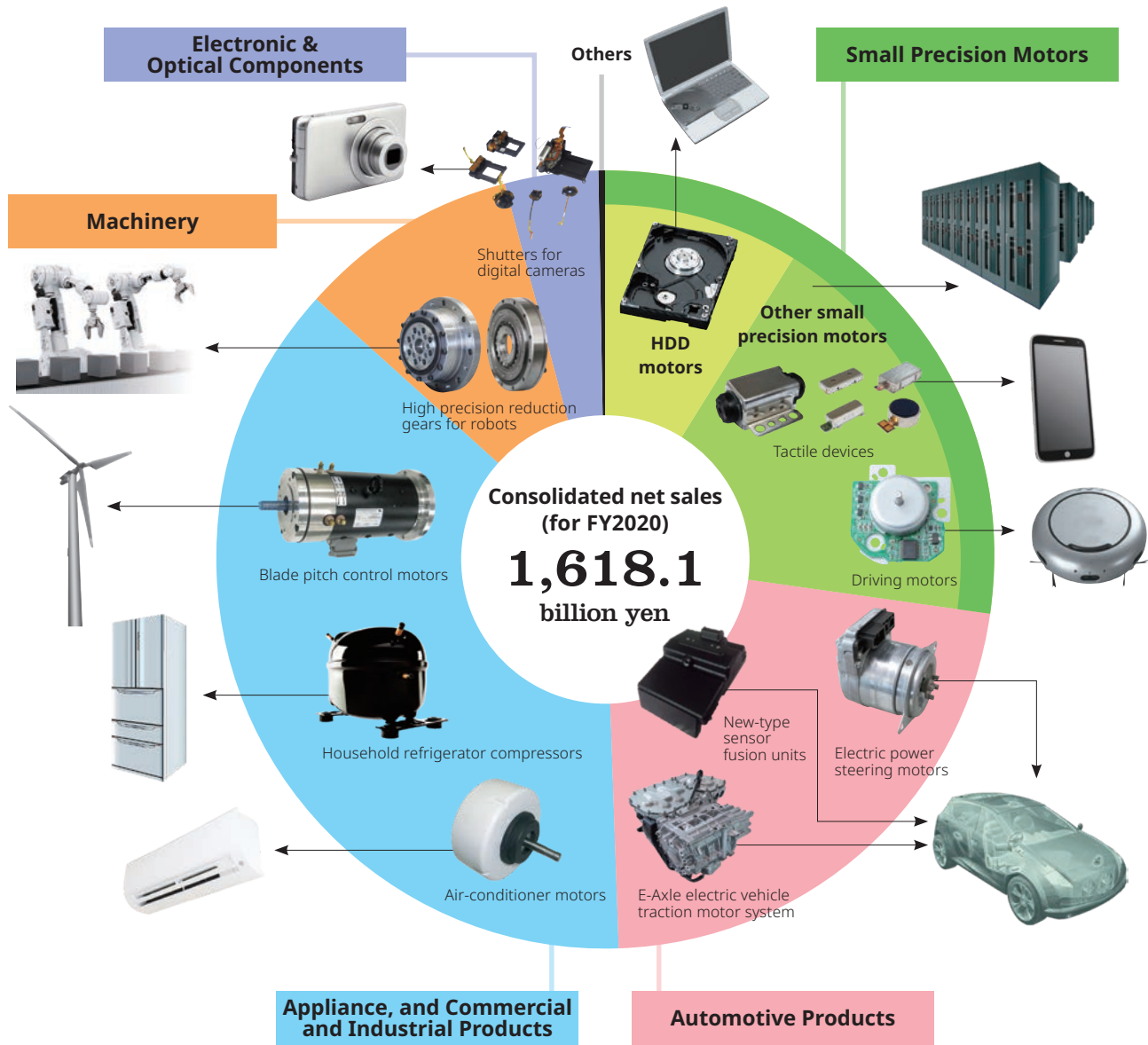
As exemplified by Nagamori's remarks such as "Anything but first is equivalent to last place," and "A snake that doesn't shed its skin will die," pursuit of the world's No. 1 position for continuous growth has been upheld since Nidec's founding and is built into the DNA of the company.

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.

Business Operations

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

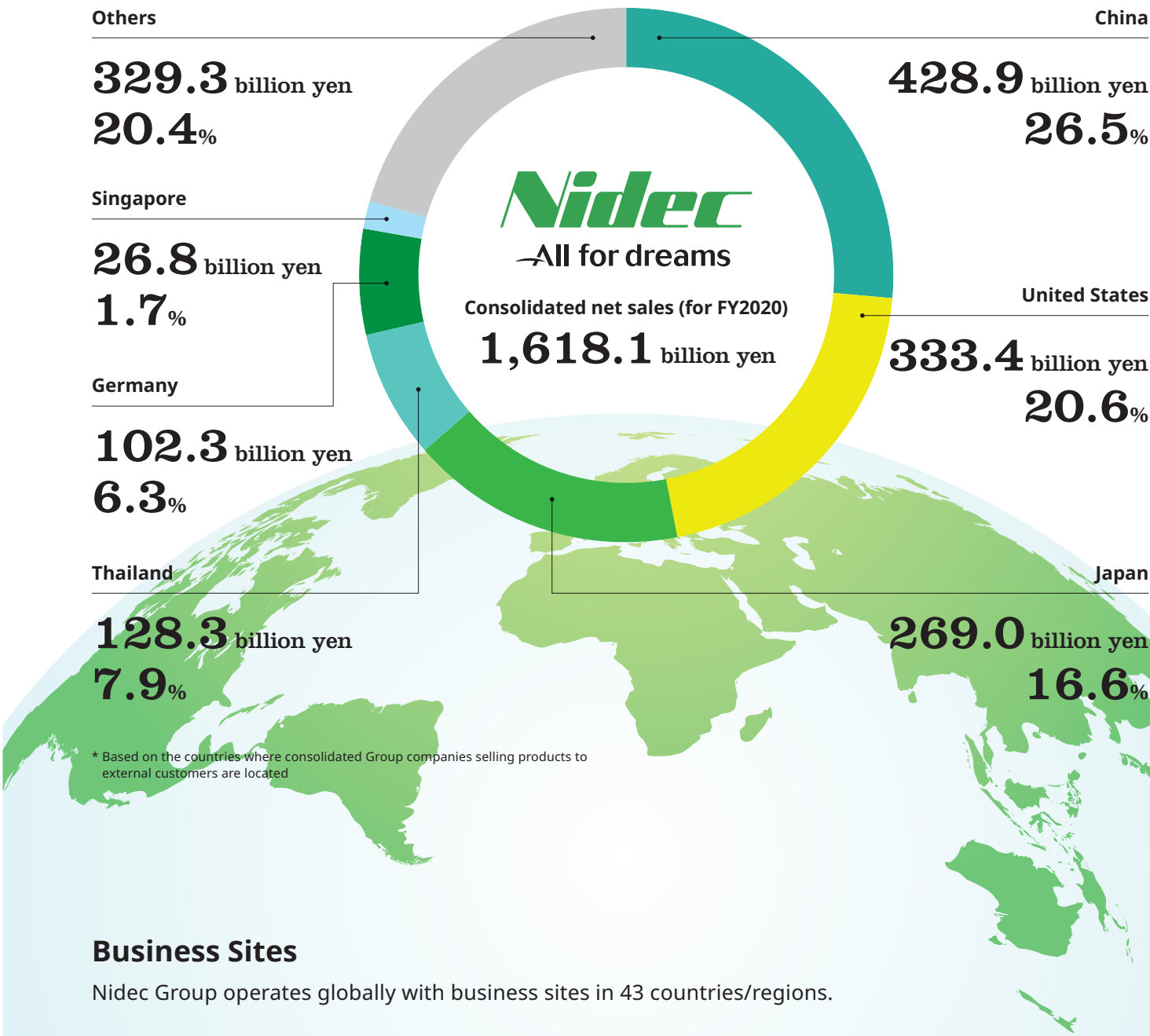


Product group	FY2020		
	Net sales (Billions of Yen)	Operating profit (Billions of Yen)	Operating profit ratio (%)
● Small precision motors	443.6	66.9	15
● Automotive products	358.1	19.5	5
● Appliance, and commercial and industrial products	601.6	53.0	9
● Machinery	150.6	26.4	18
● Electronic & optical components	60.8	6.3	10
● Others	3.4	0.4	12
Elimination or corporate		-12.6	
Total	1,618.1	160.0	10

Please refer to the URL below for detailed product information.
<https://www.nidec.com/en/product/>



Consolidated Sales by Region*



Business Sites

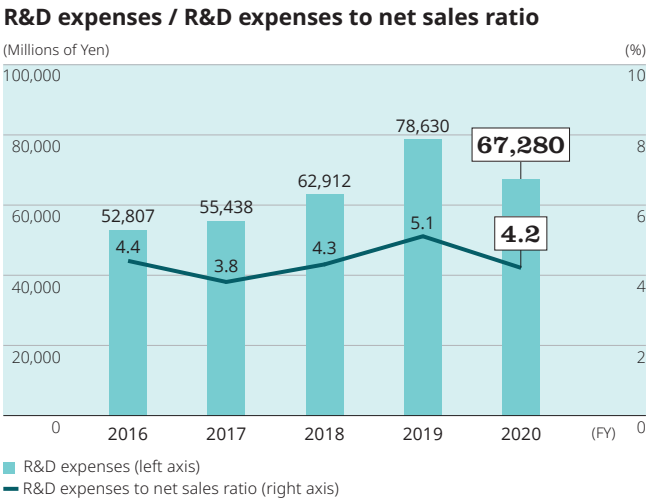
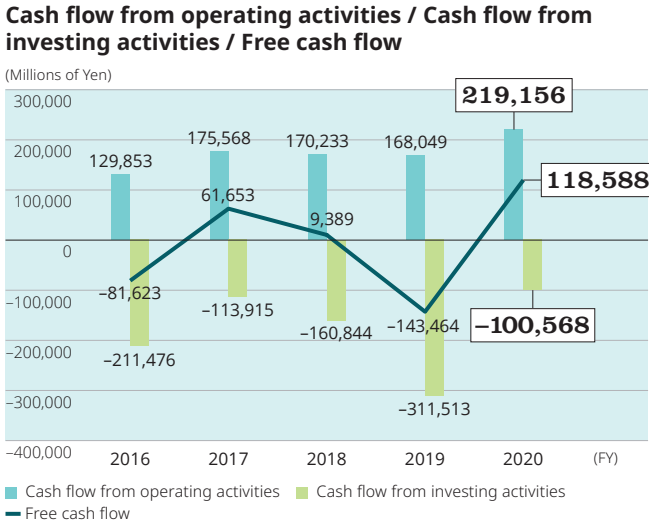
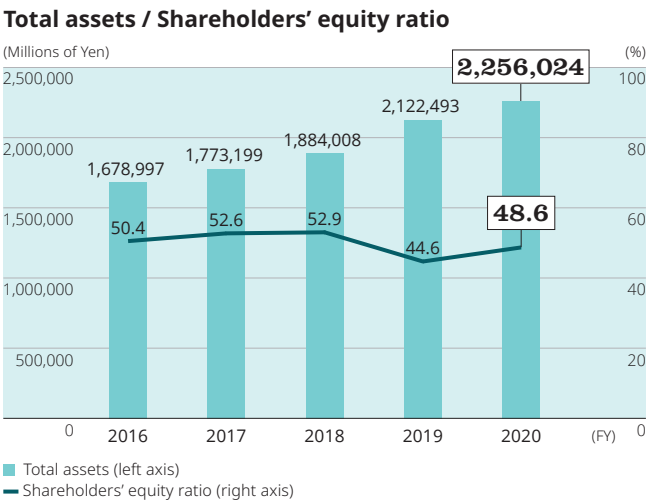
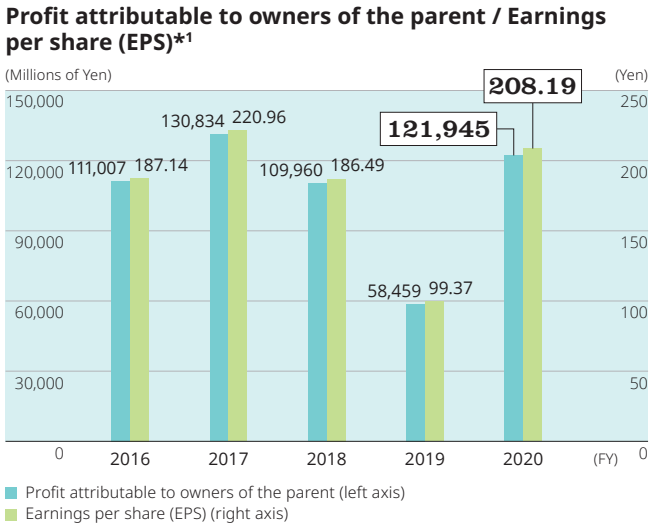
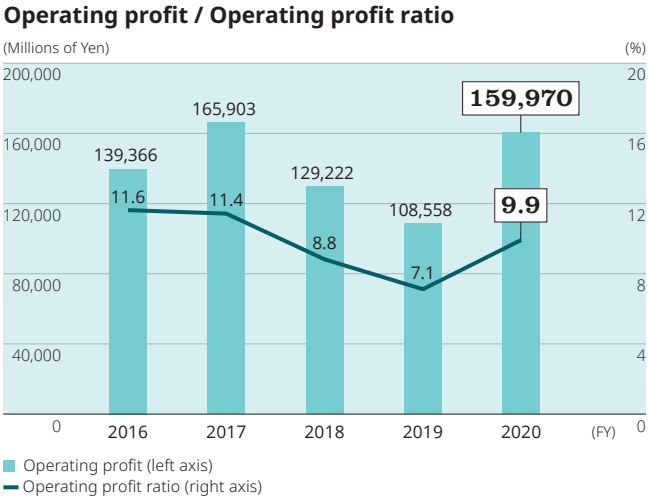
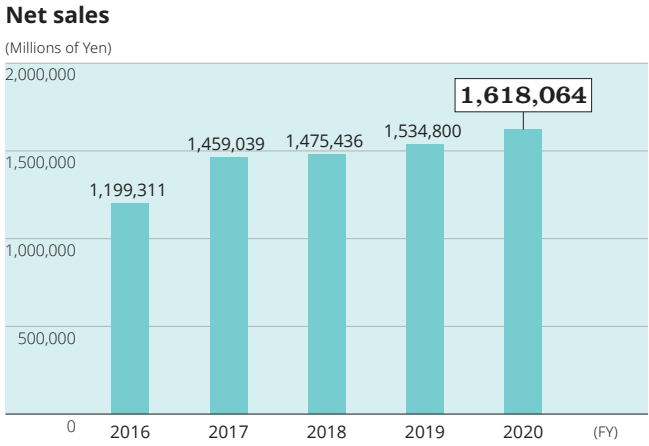
Nidec Group operates globally with business sites in 43 countries/regions.



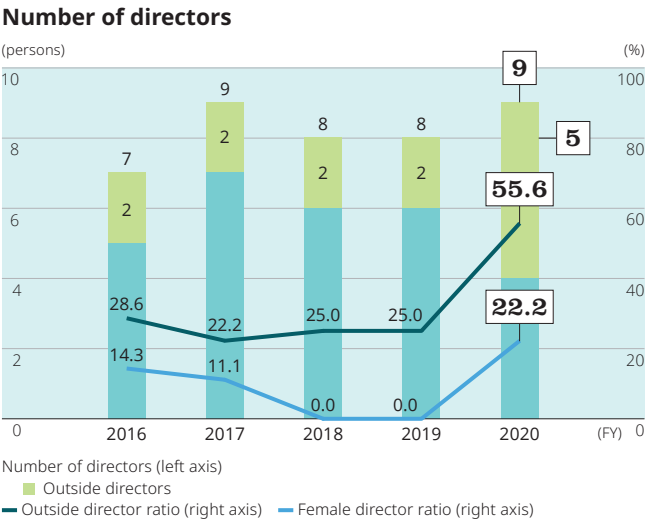
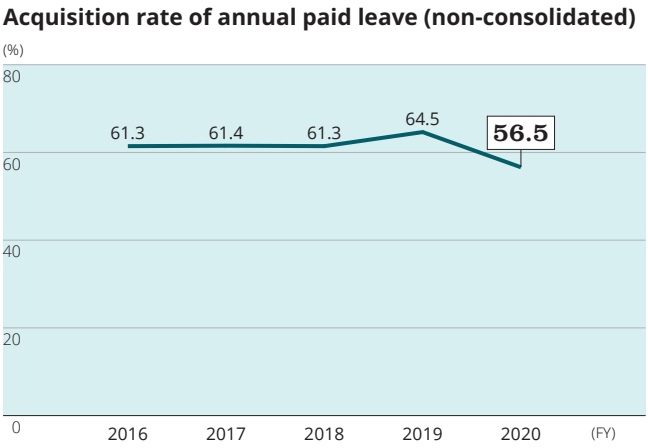
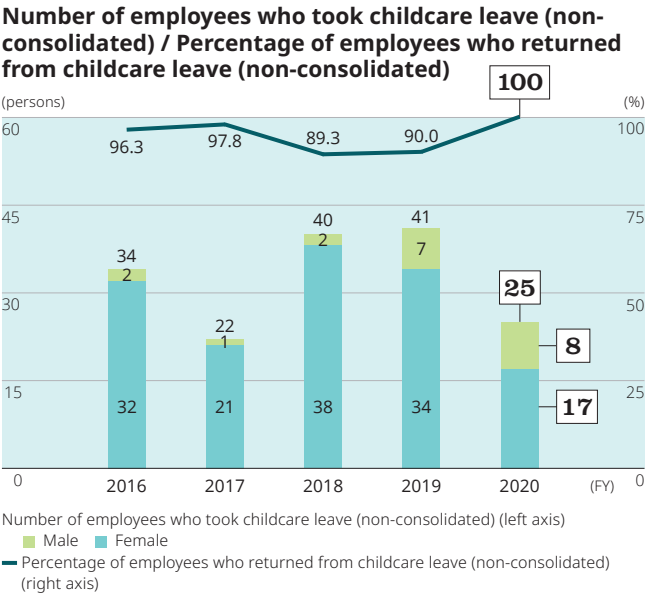
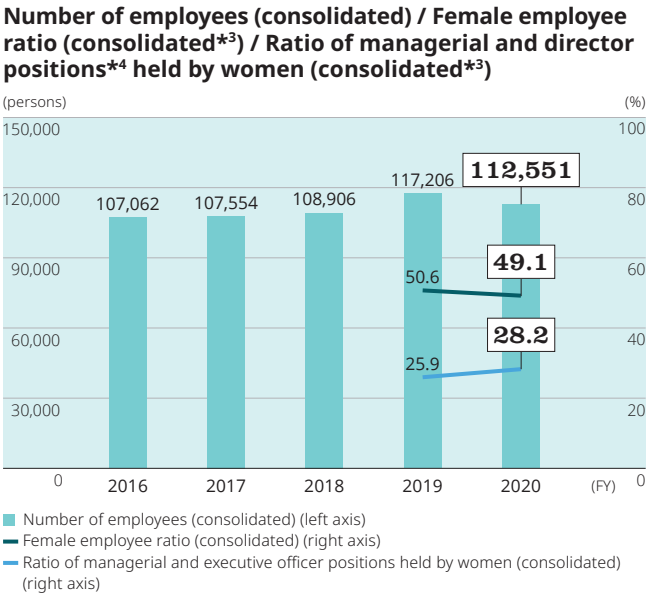
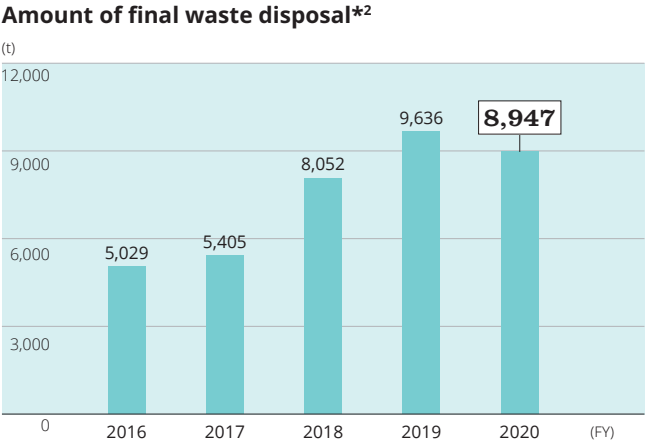
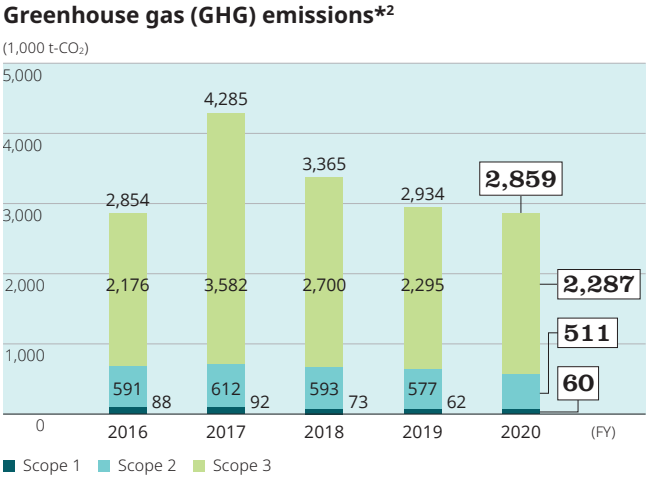
(as of March 31, 2021)

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 FY2016.
*2 Target sites: 88 companies
*3 Calculation of consolidated data began from the FY2019 survey; 87.9% of employees of consolidated Group companies were surveyed.

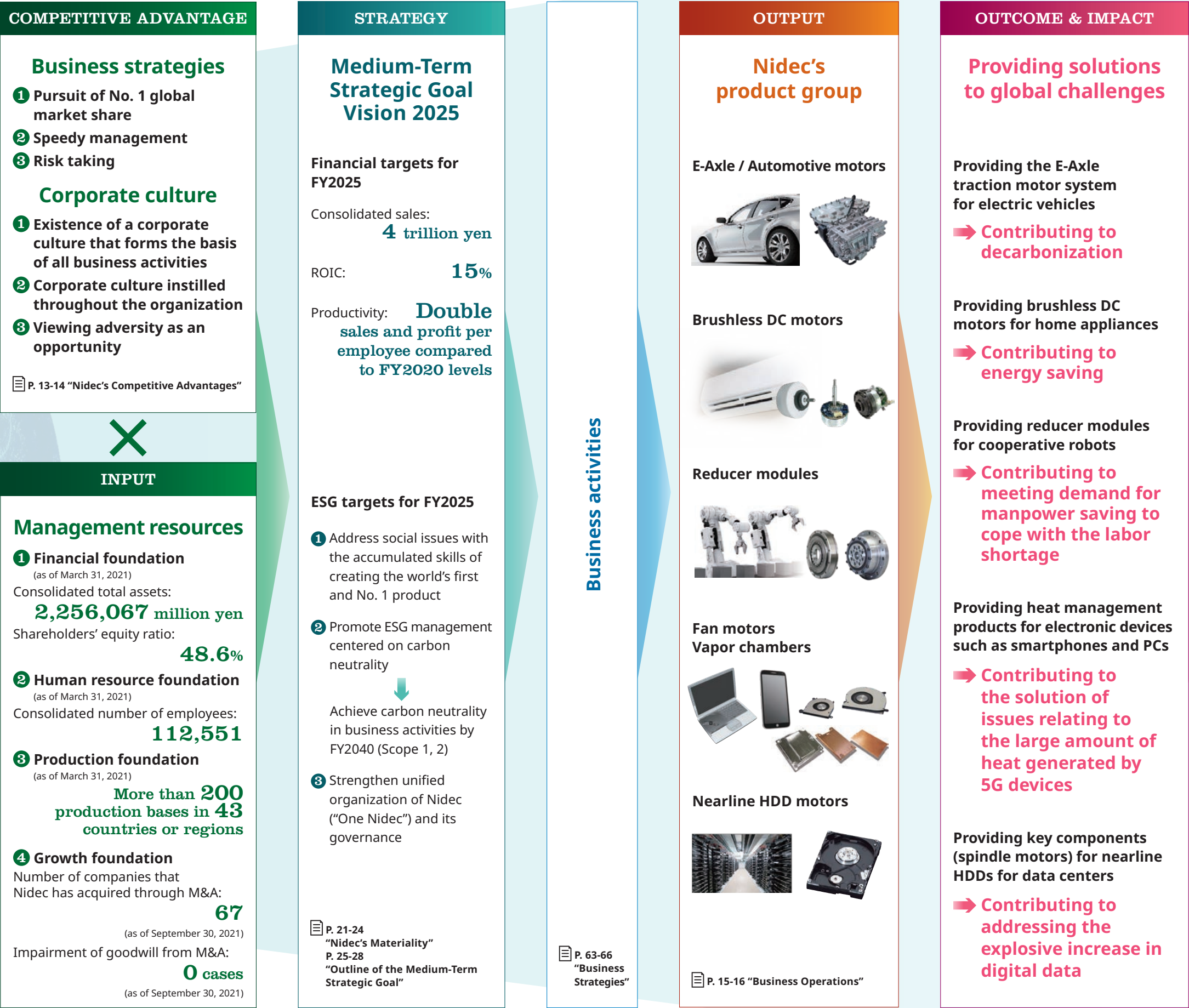
*4 Managerial positions of section chief level or higher, and executive officers. Directors or auditors who concurrently serve as executive officers are included among executive officers.
Department manager level: Employees who fit the description (1) or (2) below, or those in equivalent positions
(1) 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

Five Big Waves

- 1 Carbon neutral society
- 2 Power saving and post-COVID-19 pandemic
- 3 Manpower saving
- 4 5G & Thermal solutions
- 5 Digital data explosion

The Five Big Waves are concepts that are subdivided from the three social issues described in pages 1 to 4 (1. Carbon neutral society 2. Declining birthrate and aging population, 3. Digitalization) from the perspective of the Company's business opportunities.

P. 1-4



Nidec's Materiality

We have identified material issues (materiality) that we should prioritize to fulfill Nidec's mission of "contributing to the Earth by producing the highest quality motors in the world" in the medium to long term and to continue to expand our corporate value, through the following process.

Steps to identify materiality (material issues) to be prioritized

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 at the Senior Management Committee* meeting and the Board of Directors' meeting

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.

* Senior Management Committee: currently Management Committee

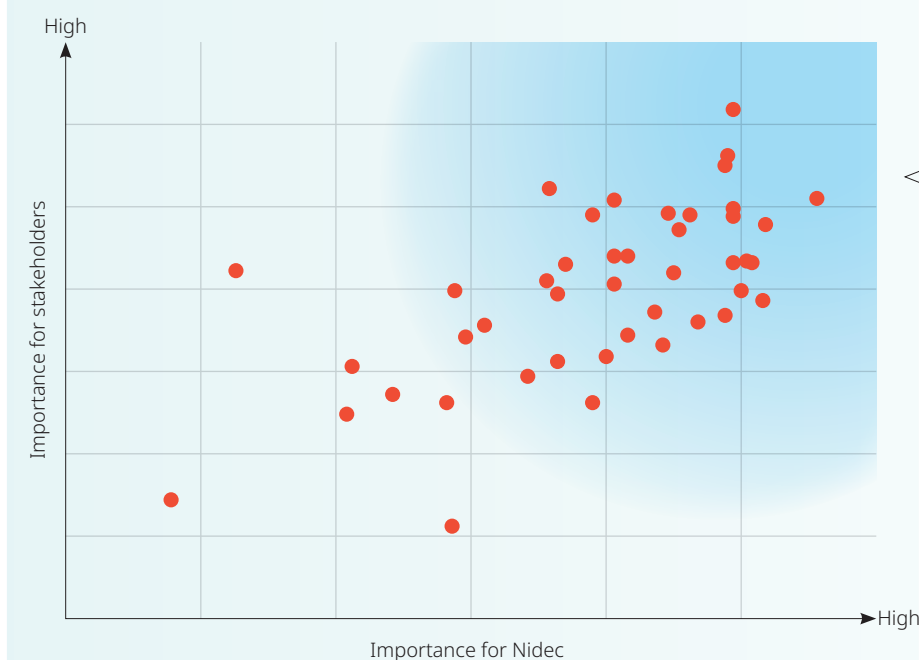
Results of questionnaire survey of investors

As a result of conducting a questionnaire survey targeting institutional investors in Japan, Asia, Europe, and the U.S. as part of the materiality identification process, we received the following opinions in addition to a quantitative evaluation for each candidate item. These opinions were referred to when identifying materiality.

Examples of survey responses from investors

- I believe that items that reflect the Creating Shared Value (CSV) perspective aimed at improving corporate value through the resolution of environmental and social issues and items that are attracting worldwide attention are the most important.
- I place great importance on enhancing corporate governance, and in particular, I consider it essential to introduce a succession plan for top management and appoint outside directors with management experience.
- I believe that the most important issues for a company like Nidec to tackle are climate change, fair remuneration for employees, support for diversity, and the creation of a workplace that respects work-life balance.
- I hope that Nidec will continue to communicate with investors after further promoting the dissemination of sustainability knowledge to its IR team.
- Nidec manufactures many products that provide solutions helpful in improving energy efficiency and reducing carbon emissions. To be a complete solution provider, Nidec needs to set a reduction target for GHG emissions from its business operations and work toward achieving the target.

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 Initiatives








Materiality	Theme to be addressed
<div> Environment</div>	<div>Contribute to environmental sustainability</div> <div><div>✓ Realize a carbon-free society</div><div>✗ Manage waste and hazardous waste</div><div>✗ Handle water risks</div></div>
<div> Products</div>	<div>Provide products and services adapted to social change</div> <div><div>✗ Pursue product safety and quality</div><div>✗ Respond to changes in the technological environment and the industrial structure</div><div>✗ Protect and utilize intellectual properties</div></div>
<div> Human Resources</div>	<div>Retain and develop diverse talent</div> <div><div>✗ Maintain and foster globally competitive human resources</div><div>✗ Promote diversity</div><div>✗ Promote occupational safety and health, and health-oriented business management</div><div>✓ Respect human rights and follow proper labor practices</div></div>
<div> Supply Chain</div>	<div>Build an internationally competitive supply chain to solve social issues</div> <div><div>✗ Sustainable procurement considering environmental and social aspects</div></div>
<div> Corporate Governance</div>	<div>Create a solid governance system</div> <div><div>✓ Build a fair, transparent and highly effective governance system</div><div>✗ Follow thorough compliance with laws and regulations</div><div>✗ Build a risk management system</div><div>✗ Promote information security measures</div></div>

We have set KPIs, which we intend to achieve by FY2025, for each theme to address the identified materiality. We incorporate the KPIs into the new medium-term strategic goal Vision 2025, and work on them to enhance the sustainability of our business.

Phase1 (April 2021–March 2026)

	Materiality	Theme to be addressed	Sub-theme	KPI (FY2025)
1	Contribute to environmental sustainability	Realize a carbon-free society 	Contribute to decarbonization through products	<div>• Reduce CO₂ emissions by introducing the EV traction motor system E-Axle: Cumulative total from FY2020 to FY2025: 11,700,000 t-CO₂</div> <div>• Reduce CO₂ emissions by introducing electric power steering (EPS) motors: Cumulative total from FY2020 to FY2025: 26,261,000 t-CO₂</div>
			Reduce CO ₂ emissions attributable to business activities	<div>• Increase the introduction ratio of renewable energy to 40% in FY2025 on a consolidated basis</div> <div>• Annually disclose a climate change scenario in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations</div>
2	Retain and develop diverse talent	Respect human rights and follow proper labor practices 		<div>• Clarify human rights policies for workers including those in the supply chain, and spread them among employees</div>
3	Create a solid governance system	Build a fair, transparent and highly effective governance system 	Board of Directors	<div>• Continue to have the effectiveness of the Board of Directors evaluated by a third party</div> <div>• 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</div>
			Nominating Committee / Remuneration Committee	<div>• Increase transparency and fairness in the retirement and dismissal process of directors</div> <div>• Improve the effectiveness of the Remuneration Committee and ensure the objectivity and transparency of remuneration decisions for directors</div>

Phase2 (November 2021–March 2026)

	Materiality	Theme to be addressed	KPI (FY2025)
1	Provide products and services adapted to social change	Pursue product safety and quality 	<div>• 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</div> <div>• Implement quality management reforms in the automotive-related business, and establish an overall quality control organization and system by FY2025</div> <div>• Conduct assessment of all newly developed products and all products during the manufacturing process to reduce product safety risks</div>
2		Respond to changes in the technological environment and the industrial structure 	<div>• Continuously launch new products that lead the Five Big Waves to resolve social issues</div> <div>• Continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving</div>
3		Protect and utilize intellectual properties 	<div>• 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</div>
4	Retain and develop diverse talent	Promote occupational safety and health, and health-oriented business management 	<div>• Check safety activities at production sites where the lost-time-injury frequency exceeds the average BU rate: Six sites or more (per year)</div> <div>• Carry out a remote safety check: Six sites or more (per quarter)</div> <div>• Receive certification as a White 500 Company (in the large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program</div>
5	Create a solid governance system	Follow thorough compliance with laws and regulations 	<div>• 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)</div> <div>• Identify serious non-compliance risks and take priority measures</div> <div>• Provide compliance education to all employees once a year</div>
6		Build a risk management system 	<div>• All risks disclosed on the securities reports are evaluated by the department in charge, and the risks to be addressed in priority are identified</div> <div>• Reduce the impact of the risks to be addressed in priority on our business</div> <div>Manage the progress of reducing such impact and the residual risks</div>
7		Promote information security measures 	<div>• Reduce the number of serious information security incidents to zero</div>

Phase3 (April 2023–March 2026)

Overview of the Medium-Term Strategic Goal

The new medium-term strategic goal Vision 2025 is a milestone for achieving consolidated net sales of 10 trillion yen by FY2030. In Vision 2025, we plan to increase consolidated net sales to two trillion yen by FY2022 and to four trillion yen by FY2025. We anticipate an increase in consolidated net sales through new M&A deals (by approximately one trillion yen) in addition to organic growth centered on growth fields in existing businesses.

Business model transformation to become a company with consolidated net sales of over 10 trillion yen

Becoming a global company that continues to grow for the next 100 years and beyond



Review of Vision 2020 and Road to Vision 2025

Consolidated net sales in FY2020 were 1,618.1 billion yen, and we failed to reach the consolidated sales target of two trillion yen, which we aimed to achieve in the medium-term strategic goal Vision 2020 covering the period FY2015 to FY2020. In Vision 2025, we aim to achieve consolidated net sales of four trillion yen by FY2025 after attaining consolidated net sales of two trillion yen, which was the target value in Vision 2020, by FY2022. The features of Vision 2025 are listed on the right.

- 1 Incorporation of productivity improvement to the goal: We aim to increase sales and operating profit per employee by 30% by FY2022 and double them by FY2025.
- 2 Incorporation of the ROIC target: In Vision 2020, ROE (return on equity) was used as a management index. In Vision 2025, an ROIC (return on invested capital) of over 15% has been set as the final target.
- 3 Setting of ESG goals: ESG-related items are incorporated as new goals. Initiatives to achieve carbon neutrality and strengthen governance have been expressly adopted as ESG goals.

Try again to accomplish sales of 2 trillion yen by FY2022

FY2015 to FY2020 Vision 2020	FY2021 to FY2022 Vision 2020 to 25	FY2023 to FY2025 Vision 2025
<ul style="list-style-type: none">Target for consolidated net sales: 2 trillion yen (including sales attributable to new M&A of approx. 500 billion yen)Sales target for Automotive: 700 billion to 1 trillion yenTarget for consolidated operating profit ratio: over 15%Target for ROE (return on equity): over 18% (assuming shareholders' equity ratio of 60%)Establishment of five regional HQ management units	<ul style="list-style-type: none">Target for consolidated net sales: 2 trillion yenProductivity improvement To increase sales and profit per employee by 30%ROIC (return on invested capital): over 10%	<ul style="list-style-type: none">Target for consolidated net sales: 4 trillion yenProductivity improvement To double sales and profit per employeeROIC (return on invested capital): over 15%
	<ul style="list-style-type: none">To be a top-rated ESG company1 Address social issues with the accumulated skills of creating the world's first and No. 1 product2 Promote ESG management centered on carbon neutrality3 Strengthen the unified organization of the Nidec Group and its governance	

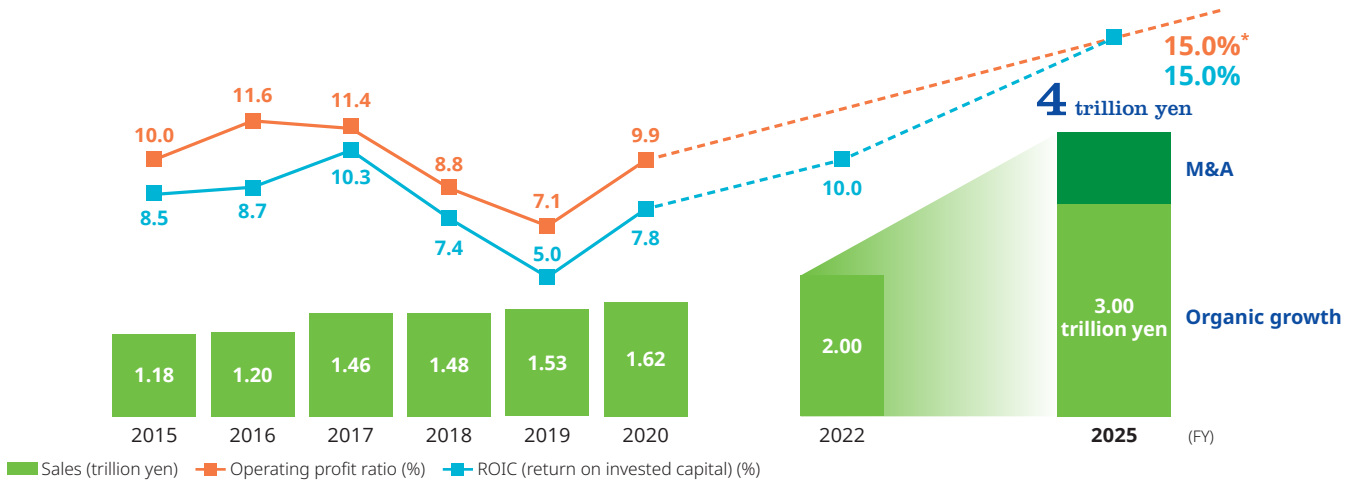
Framework for the New Medium-Term Strategic Goal 1 Commitment to Profitable Small Precision Motor Department Growth

To achieve consolidated net sales of four trillion yen (including one trillion yen expected to be gained through new M&A deals) by FY2025, we are required to attain a high growth rate. We are committed not only to increasing sales but also to achieving profitable growth. Accordingly, we have adopted ROIC (return on invested capital) as a management index in Vision 2025 instead of ROE (return on equity) in Vision 2020, and have set the ROIC target at 10% or more in FY2022 and 15% or more in FY2025.

For existing businesses, we will seek growth opportunities through management in a business and geographic scope

(visualizing business opportunities by creating a matrix of products by business and region), while pursuing optimization of capital efficiency by using ROIC as the evaluation axis. The main focus of new M&A deals is to complement our technologies and commercial distribution services required for our strategy to succeed. We place an emphasis on M&A deals that not only lead to an increase in sales but also have a synergistic effect with our management strategy and eventually contribute to improving the management indicators of the entire company.

Tackle both growth strategy (organic growth + M&A) and enhancement of profitability on capital



ROIC = NOPAT / Invested Capital (Interest-bearing debt + Total equity attributable to owners of the parent + Non-controlling interests)
NOPAT (Net Operating Profit After Tax) = Operating profit x (1-Tax Rate)
* We target an operating profit ratio of 15% for a sales target of 3 trillion yen by FY2025 attributable to organic growth.

Framework for the New Medium-Term Strategic Goal 2 Business Portfolio Management

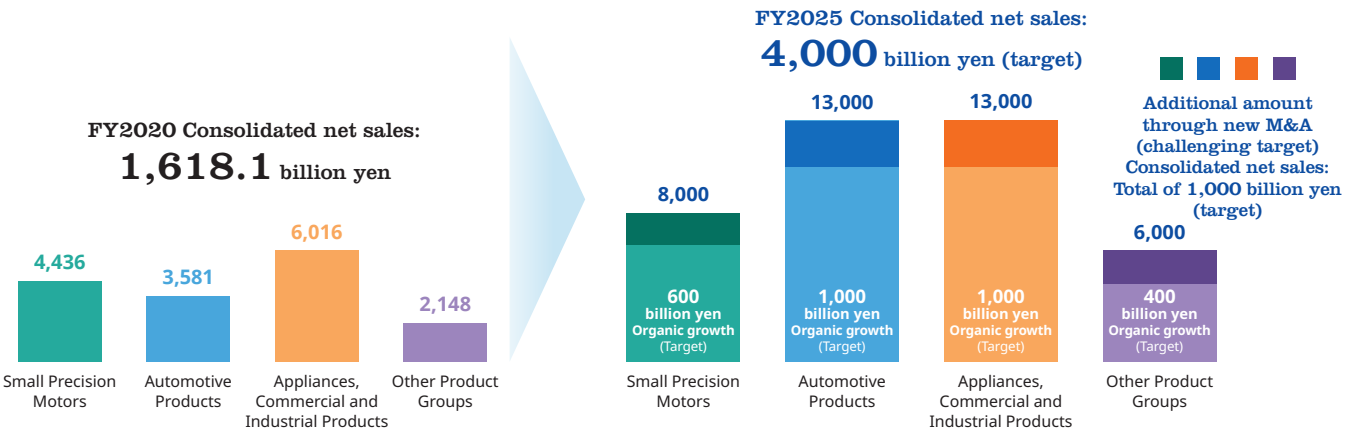
Consolidated net sales for FY2020 were 1.6 trillion yen. To achieve the consolidated sales target of four trillion yen by FY2025 (including one trillion yen expected to be gained through new M&A deals), we will actively shift our focus to growth businesses.

In the automotive department, we have secured orders for 3.5 million units in the E-Axle business, whose market is expected to expand significantly in the future, and we expect sales to increase by several hundred billion yen by FY2025. In addition, there are many product groups, such as electric power steering (EPS) motors, whose annual sales growth rate can be expected to exceed 10% on an order basis. The automotive business is

expected to have a high sales growth rate as a whole.

In the small precision motor department, we cannot expect significant sales growth for HDD motors, which have been the driving force behind our business performance for many years. We will shift management resources to the mobility field, such as motors for small EVs, for which business opportunities are expected to expand due to automotive electrification, and motors for electric two-wheeled vehicles. Thus, we hope that these products in the mobility field will contribute to sales growth together with heat management systems, which is another growth field.

Achieve high growth with aggressive investment in key growth areas



Framework for the New Medium-Term Strategic Goal 3 Measures for Boosting Top-Line Growth

To achieve consolidated net sales of four trillion yen by FY2025 and consolidated net sales of 10 trillion yen by FY2030, it will be necessary to shift to a business field with a larger market size. By not only shifting our business to growth fields but also providing products with a high level of integration for customers, we will be able to access larger markets and increase product unit prices.

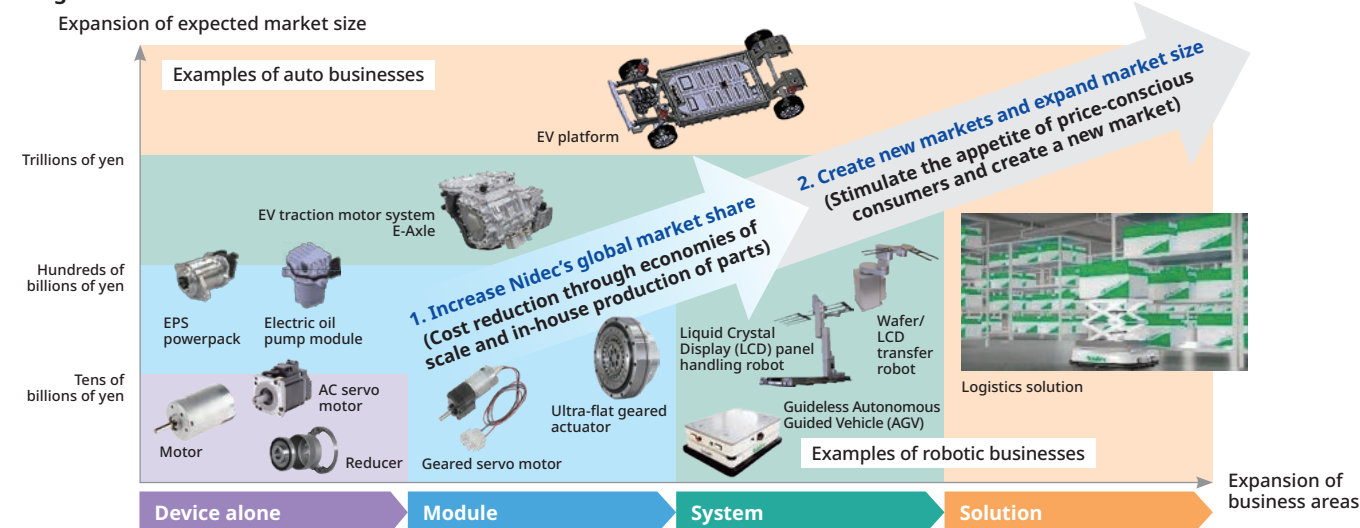
Taking the automotive business as an example, it will be possible to access higher value-added markets as the product

integration level increases from the provision of motors alone (device alone) to the provision of power packs for electric power steering (EPS) systems and electric oil pump modules (module), E-Axles (system), and EV platforms (solution).

By advancing this transition process in each business department, we will secure the growth opportunities necessary to achieve consolidated net sales of 10 trillion yen by FY2030.

Aim to change business models and business areas to accomplish consolidated net sales of 10 trillion yen

Diagram of business model shift in the auto and robotic areas



Framework for the New Medium-Term Strategic Goal 4 Basic Policy for EV Traction Motors

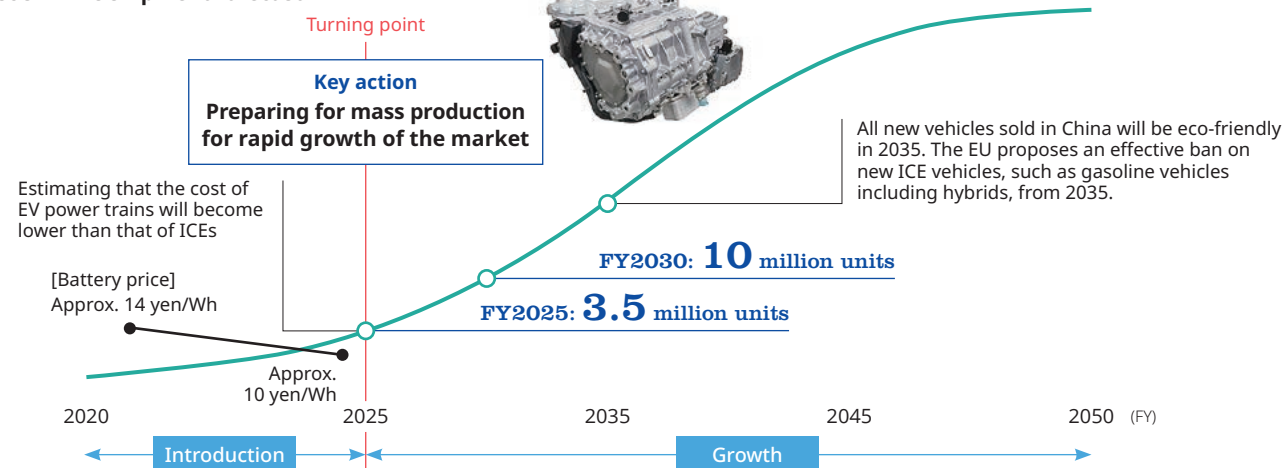
The environment surrounding the EV industry is changing day by day, and major changes are occurring such as the promotion of automotive electrification due to the tightening of environmental regulations around the world, entry into the EV market from different industries, and the emergence of fabless manufacturers.

We anticipate an explosive increase in the sales of EV traction motors after 2025 mainly due to a decline in EV prices caused by a decrease in battery prices. We have already secured orders for 3.5 million E-Axle units for FY2025, and we expect their sales to reach 10 million units in FY2030.

At present, most E-Axles are manufactured in-house by auto manufacturers. However, as the number of EVs increases, there will be a shift from in-house manufacturing to outsourcing. To expand the market for E-Axles, we plan to invest a total of one trillion yen (in CAPEX and M&A) on a consolidated basis by FY2025, with the aim of improving their price competitiveness and manufacturing system. We are also considering establishing a joint venture with the Hon Hai Group in light of the fact that fabless manufacturing of EVs is promoted mainly by new entry manufacturers.

Lead the EV era as a company that triggers creative disruption and goes beyond the automobile industry tradition

Nidec's E-Axle shipment forecast



Framework for the New Medium-Term Strategic Goal 5 ROIC Management

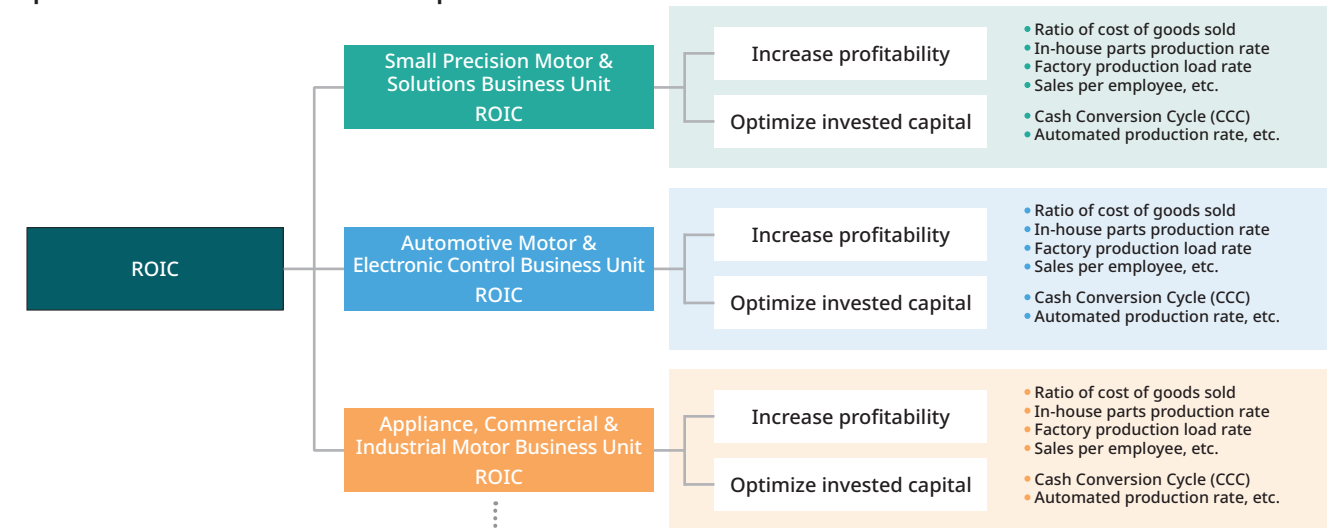
In Vision 2025, ROIC (return on invested capital) has been included as a new management index, and specific activities to improve ROIC will be implemented based on numerical targets in line with the strategy of each business department. For instance, since the small precision motor department and the automotive department have different customer bases and different business lead times, there is a difference in the measures required to improve ROIC and in the timeline until the measures produce

results. It is important to implement improvement activities based on the characteristics of each department.

To improve ROIC, it is necessary to increase profitability and optimize invested capital. Accordingly, we will take concrete measures for each business department. Specifically, we will improve the cost to sales ratio and the factory utilization ratio to increase profitability, and shorten the CCC (cash conversion cycle) and promote production automation to optimize invested capital.

Set the ROIC target in line with each business unit's strategy and conduct improvement activities

Implementation of activities for ROIC improvement



Framework for the New Medium-Term Strategic Goal 6 Pathways to Carbon Neutrality

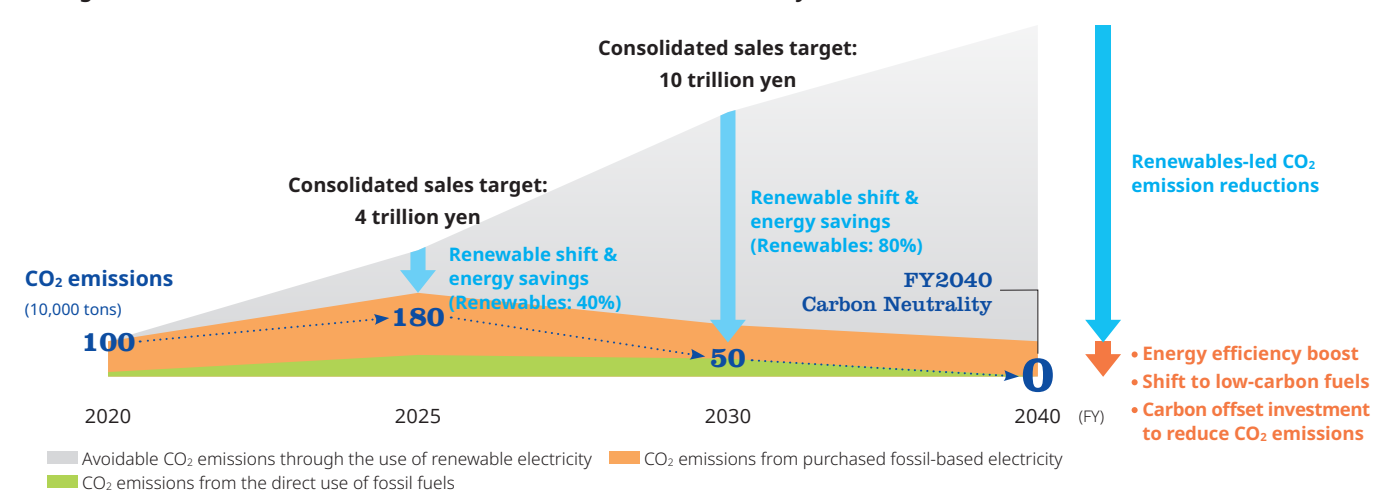
In Vision 2025, we have newly declared the goal of achieving carbon neutrality. Our declaration consists of two goals: ① achieving carbon neutrality for business activities (Scope 1 and 2) by FY2040 and ② laying out a plan to reduce CO₂ emissions in the supply chain (Scope 3) by FY2025.

Energy consumption is expected to rise in proportion to an

increase in sales. To address this, we plan to reduce net CO₂ emissions to zero by FY2040 (Scope 1 and 2) by ① promoting energy saving, ② shifting to renewable energy sources in the energy mix, and ③ investing in carbon offset projects. The percentage of our total energy consumption sourced from renewables is planned to be 40% by FY2025 and 80% by 2030.

Going carbon neutral by FY2040 (Scope 1 and 2) Supply chain (Scope 3) action plans to be laid out by FY2025

Changes in CO₂ emissions due to the introduction of renewable electricity



Technology Strategy

Evolving the R&D system toward consolidated net sales of 10 trillion yen by FY2030

Toshihiko Koseki
First Senior Vice President

Our company is paying attention to market trends associated with the Five Big Waves* of technological innovation: “automotive electrification,” “expansion of robot applications,” “home appliances driven by brushless DC motors,” “manpower-saving in agriculture and logistics,” and “next-generation technology stemming from 5G communications.” These themes are connected to global issues, such as the reduction of CO₂ emissions and responses to the aging of the working population. I believe that the development of product groups that provide solutions to these issues will lead to the fulfillment of Nidec’s mission of “contributing to the Earth by producing the highest quality motors in the world.” We will proceed with research and development while recognizing the importance of the fusion of technology between research and development organizations, leading to the provision of solutions to global issues.

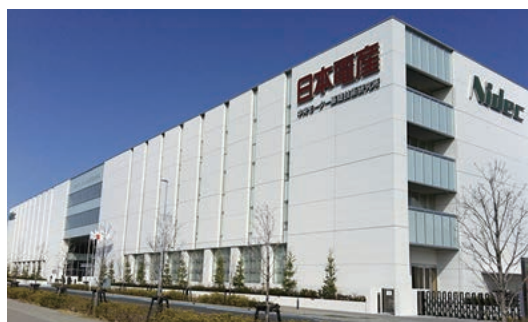
* See page 19.

R&D System

We are engaged in research on elemental technologies for motors in general at the development department set up in each business unit as well as at the Nidec Research and Development Center, Japan and the Nidec Research and Development Center, Taiwan, both of which are company-wide common organizations. Our aim is to promote the further advancement of research on elemental technologies, including electronic circuit technology, thermal technology, noise and vibration technology, and control technology. At the Nidec Center for Industrial Science, we are also engaged in research and development with a focus on the evolution of production engineering, which is not bound by existing manufacturing methods, including the realization of smart factories using robots and IoT, the development of new materials and systems, innovation in inspection

technology, and data analysis and simulation.

For open innovation, we established the Nidec Center for Industrial Science in 2015 with the aim of strengthening the foundation of manufacturing and creating technologies that contribute to the world via our academia-institute-corporation networks. In addition, the Nidec Research and Development Center, Taiwan, which was opened in September 2012 and is located in STIR (Southern Taiwan Innovation & Research Park) in the southern district of Taiwan, collaborates with the highly skilled ITRI (Industries Technology Research Institute), MIRDC (Metal Industries Research & Development Centre), major universities, and Taiwanese companies on basic research subjects, such as motor structures and motor control.



Nidec Research and Development Center (Kawasaki)



Nidec Center for Industrial Science (Kyoto)

Each business department mainly conducts the following research and development.

Small Precision Motor & Solutions Business

This department is involved in basic and applied research on small precision motors in general, such as small precision DC motors and fan motors, in research and development on new products, and in technical support research for each R&D facility. It also conducts research and development aimed at the mass production of new models of HDD motors and the improvement of product quality.

Automotive Motor & Electric Control Business

The Nidec Shiga Technical Center (Shiga) and the Nidec (Dalian) Limited Technical Center (China) play a central role in research and development aimed at the mass production of new products and models related to various automotive motors, including the EV traction motor system E-Axle, which contribute to the realization of a carbon-free society, as well as the improvement of product quality. The establishment of the Nidec (Dalian) Limited Technical Center in China, where we operate the EV-related business, enables us to provide prompt support to customers and hire local engineers, and this serves as a cornerstone to support our EV-related business.



Nidec (Dalian) Limited Technical Center (China)

Appliance, Commercial & Industrial Motor Business

This department conducts research and development on motors for home appliances, such as motors for washing machines, dryers, and dishwashers, compressors for refrigerators, and motors for compressors. For residential and commercial motors, it is engaged in research and development on motors for air conditioning equipment, refrigerators, and cooking equipment, geared motors, and motion control motors. For industrial motors, it is involved in the development of motors for water and sewage pumps, irrigation pumps, gas mining pumps, and various other pumps, as well as industrial vehicle driving motors and comprehensive solutions that integrate various power generation and storage systems.

R&D Expenses

R&D expenses for the entire Nidec Group in FY2020 were 67.3 billion yen, accounting for about 4% of consolidated net sales. We plan to continue investing in R&D in the future.

Role of Research and Development in Vision 2025

To achieve the consolidated sales target of 4 trillion yen in Vision 2025, it is important to enhance the product competitiveness of E-Axle, whose market is expanding rapidly. Of particular importance is the development of next-generation models of E-Axle. We recognize that it is difficult to significantly reduce the cost of E-Axle unless its design is fundamentally changed from the existing models. We are currently working on the development of next-generation models while setting a specific cost reduction target for each of the three main components of E-Axle: a motor, a gear, and an inverter.

In particular, what is most important is that we plan to manufacture main parts, materials and equipment in-house necessary to create E-Axle, which will have two advantages: ① cost reduction and ② stable supply. Regarding cost reduction, we aim to reduce costs by eliminating extra functions included in externally purchased parts and materials and focusing on necessary functions in-house manufacturing. For stable supply, our strategy is to eliminate bottlenecks in the supply caused by sourcing parts, materials, and equipment from outside, through in-house

manufacturing. In a market that is expected to expand rapidly, like the EV market, the in-house manufacturing of parts, materials, and equipment will create an overwhelming competitive advantage over the competitors that are likely to emerge with a major expansion of the market.

Another important point in the development of next-generation models of E-Axle is the standardization of the platform. Currently, the development of E-Axle is individually optimized for each model according to the customer's requests. However, by accelerating a common design for all models, we can improve resource efficiency, including the human resources required for their development, and as a result, reduce product costs and enhance competitiveness. With the establishment of the “Platform Development Center” in 2021, we have started a project to support the standardization of E-Axle from an organizational aspect.

Research and development will serve as a cornerstone for Nidec to continue to grow to achieve consolidated net sales of 10 trillion yen. We will conduct research and development on a daily basis without forgetting Nidec's mission of linking social needs with company growth.

Human Resources Strategy

Toward sustainable growth of Nidec

Fumiaki Ushio

Senior Vice President
Chief Administrative Officer

Human resources strategy is becoming an increasingly important issue for Nidec to grow sustainably over the next 100 years and beyond. In the new medium-term strategic goal Vision 2025, we have set a goal of increasing sales and operating profit per employee by 30% by FY2022 and doubling them by FY2025 (compared to FY2020). This goal is a prerequisite for a 30% increase in employee salaries by FY2023 (compared to FY2020). We are working on achieving this goal as an urgent issue for enhancing our competitiveness. We recognize that expansion and promotion of diversity as well as improvement of productivity is an important issue for the sustainable growth of Nidec. In the medium to long term, we would like to raise diversity management to a level where it becomes the strength of the Nidec Group.

Measures to Improve Productivity

1. Work style reform

As the first step towards work style reform, we established the Work Style Reform Committee in 2016 and conducted an interview with on-site employees to identify organizational issues with the aim of improving productivity. As a result, we decided that the following three systems were necessary: a home working system, a staggered shift work system, and a by-the-hour annual paid leave system.

A home working system was introduced in April 2017, and a by-the-hour annual paid leave system also started at the same time. For the staggered shift work system, the range of eligible reasons was expanded in April 2017 to include operational reasons, childcare needs, long-term care needs, and personal development, enabling employees to use the system more flexibly.

All three systems have enabled employees to work flexibly. The home working system also plays a major role as a Business Continuity Planning (BCP) measure. With the spread of the COVID-19 pandemic, we have eliminated the eligibility for the system and the limit on days available for the system, placing top priority on the health of employees and their families, so that employees can make the most of the system.

Improving productivity to achieve management goals

Realize a doubling of productivity

- ▶ Pursuing **work efficiency** instead of doing hard work for the sake of it
- Shifting the focus to **productivity** and away from working hours

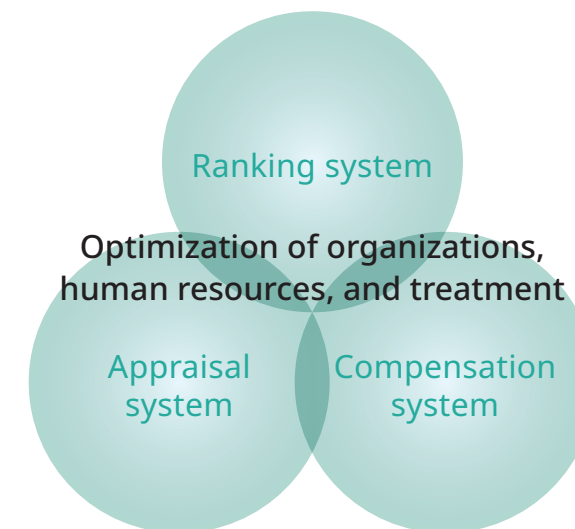
2. Personnel system reform

Regarding the personnel system, the appraisal system, the ranking system, and the compensation system have been significantly revised. In the new appraisal system introduced in FY2020, the ability and achievements of employees are more clearly reflected in their evaluation made on a quarterly basis, with a focus on rewarding personnel who lead the company to a better future. The ranking system and the compensation system are designed in line with the idea of a job-based personnel system and have begun to be implemented from FY2021. The ranking system clarifies the responsibility and authority of employees by job rank to help employees develop expertise and clarify their career vision. The compensation system aims to treat employees fairly based on their responsibility and performance. The appraisal system,

the ranking system, and the compensation system are linked together to enable the optimization of organizations, human resources, and treatment.

The above reform is intended for employees. Meanwhile, for the treatment of directors, the performance-linked share-based compensation system* has been introduced to increase incentives to achieve their goals.

* See page 52.



Diversity

Nidec recognizes diversity as the source of its competitiveness and an important foundation for its sustainable growth in the future. The Nidec Group, which operates globally, employs people from diverse backgrounds. We conduct personnel evaluation and promotion in such a way that individual employees can demonstrate their full potential regardless of their attributes and values, and we work to create work environments that can achieve that purpose.

Regarding women's empowerment, we established the Diversity Promotion Office (currently D&I Promotion Group of the Human Resources Department), an organization dedicated to promoting diversity, in 2017. Our actions have led to an increase in the number of female managerial employees and candidates for managerial positions and to more male employees participating in child-rearing. The ratio of female managerial employees at Nidec Corporation was 5.7% (female employee ratio: 20.6%) in FY2020 on a non-consolidated basis.

In 2018, as a measure to support employees' work-life balance, we introduced a spouse transfer leave system and revised the comeback system (the former re-employment system). In 2020, we revised our sick/injured childcare and nursing care leave system to enable employees to take time off "by the hour," an improvement from "half a day." Through these systems in addition to the above-mentioned by-the-hour annual leave system, we support the flexible working styles of employees.

3. Promotion of DX

Regarding Digital Transformation (DX), we established the DX Promotion Office in December 2020 with the aim of improving productivity and have promoted DX from the following three perspectives:

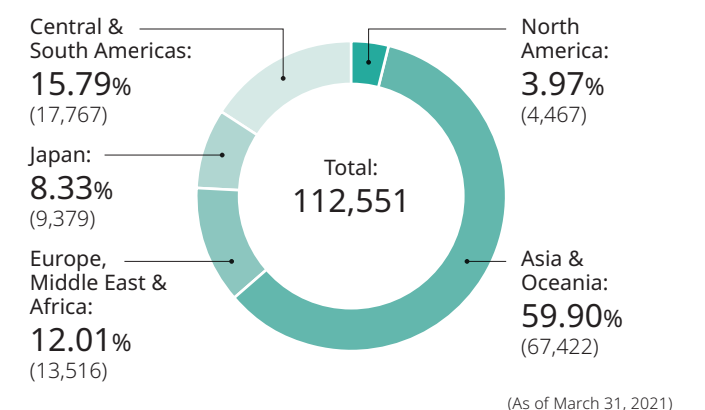
- DX for three "news" (new markets, new products, and new customers):**
Digital transformation for sales
- DX for manufacturing:**
Digital transformation for design and manufacturing
- DX for employees:**
Digital transformation for the improvement of productivity per employee

We aim to realize "One Nidec Platform" by introducing advanced sales support tools that stimulate DX and using a system common to all Group companies in the future. We will continue to make investments that we deem necessary to improve operational efficiency and productivity.

As actions for LGBT employees, our work rules stipulate that employees must respect each other's personality and work together regardless of gender differences, sexual orientation, and gender identity, and as part of such actions, we apply the personnel rules for employees' spouses to same-sex partners as well.

Regarding the employment of people with disabilities, we have a corporate culture where employees are promoted with emphasis on their ability regardless of gender, academic background, age, and other personal attributes. In addition, we actively promote barrier-free working environments by, for example, building slopes, multi-purpose toilets, and parking spaces for people in wheelchairs.

Employee breakdown by region



Accelerating Nidec's growth toward the consolidated sales target of 10 trillion yen by FY2030

Hidetoshi Yokota

Senior Vice President
Chief Financial Officer

In June 2021, our company reached a turning point since its founding, when Representative Director and President Seki assumed the office of CEO toward achieving the consolidated sales target of 10 trillion yen by FY2030. In July 2021, we announced the new medium-term strategic goal Vision 2025, which aims to achieve consolidated net sales of four trillion yen by FY2025. We will continue to take on further challenges and reform of the Nidec Group in terms of both financial and non-financial aspects, including balancing growth investment and financial discipline, and promoting ESG management.

New Medium-Term Strategic Goal Vision 2025

Consolidated sales target

In the medium-term strategic goal Vision 2020, whose final year was FY2020, the consolidated sales target of two trillion yen was not reached. To achieve this target by FY2022 and further achieve the consolidated sales target of 10 trillion yen by FY 2030, we have set the new medium-term strategic goal Vision 2025, which aims to attain the consolidated sales target of four trillion by FY 2025.

Of the consolidated sales target of four trillion yen by FY2025, three trillion yen and one trillion yen is expected to be gained through organic growth and through new M&A deals, respectively. In order to achieve consolidated net sales of three trillion yen by FY2025, excluding sales of one trillion yen through new M&A deals, it is necessary to achieve a CAGR (compound annual growth rate) of about 15%. Accordingly, it is important to shift our business portfolio to growth fields.

We have already secured orders for 3.5 million units of the EV traction motor system E-Axle for FY2025. The EV industry is experiencing structural changes such as the tightening of environmental regulations around the world, the emergence of fabless manufacturing, and an increase of new entrants into the EV market, and we believe that there are significant business growth opportunities for us. In the small precision motor department, we expect that motors for small EVs and electric two-wheeled vehicles will make an early contribution to profits as new business.

The Nidec Group will work as one to achieve consolidated net sales of four trillion yen by FY2025, thereby building a

strong bridgehead to attain consolidated net sales of 10 trillion yen by FY2030.

Financial targets

In Vision 2025, a new medium-term strategic goal for FY2025, we have adopted ROIC (return on invested capital) as a new management target instead of ROE (return on equity), which was adopted in Vision 2020. We aim to reach 10% ROIC by FY2022 and 15% ROIC by FY2025 from an ROIC of 7.8%, which we achieved in FY2020.

The reason for adopting ROIC as a new management index is that we emphasize commitment to profitable growth and aim for growth through both "organic growth + new M&A deals" and "enhancement of profitability on capital." For ROIC targets, we have broken down the targets for each business department to promote daily improvement activities.

Regarding investment, we expect to make a growth investment of over one trillion yen in total (mainly CAPEX and M&A) toward FY2025. Meanwhile, we foresee a CAPEX to sales ratio of about 5% in FY2025. For Cash Conversion Cycle (CCC), the actual result in FY2020 was less than 75 days. We will continue to work to improve CCC mainly by optimizing inventory while minimizing production continuity risk due to soaring raw material prices and disruption in the supply of parts and materials.

Regarding the procurement of funds necessary for investment in growth businesses and new M&A deals, our basic stance is to thoroughly manage funds within the Group mainly by shortening CCC and use funds from operating cash

flow. If we need to raise funds, our policy is to choose the best way to raise money while comprehensively considering the required amount, financial situation, stock price and rating, financial market environment, and other factors.

ESG goals

In Vision 2025, we have incorporated the perspectives of ESG management into our goals. We have announced the following three ESG goals: ❶ addressing social issues with the accumulated skills of creating the world's first and No. 1 products, ❷ promoting ESG management centered on carbon neutrality, and ❸ strengthening the unified organization of the Nidec Group and its governance.

❶ Addressing social issues with the accumulated skills of creating the world's first and No. 1 products

In our IR presentation materials, we have announced Nidec's business solutions that solve the common problems of humankind to tackle the Five Big Waves. Recognizing again that the significance of our existence is to address social issues, we work to provide products and solutions to our customers.

IR Activities

We attach great importance to communication with investors (investor relations). In FY2020, we conducted many interviews with investors to respond to their interest in our stock, interviewing about 3,500 investors in total. As a result of these efforts, Nidec Corporation ranked No. 1 in all categories in the Electronics/Components business sector on Institu-

❷ Promoting ESG management centered on carbon neutrality

As part of our climate change actions, we have set two goals: (1) achieving carbon neutrality for business activities (Scope 1 and 2) by FY2040 and (2) laying out a plan to reduce CO₂ emissions in the supply chain (Scope 3) by FY2025. We will promote ESG management by working to reduce CO₂ emissions attributable to our business activities and helping to solve social issues through the provision of products and solutions that contribute to decarbonization and energy saving.

❸ Strengthening the unified organization of the Nidec Group and its governance

We receive many opinions and requests from investors every day regarding our governance system. To strengthen our governance system, we shifted to being a company with an Audit and Supervisory Committee in June 2020 and established the Remuneration Committee in February 2021. We will continue to improve the governance system to further enhance our governance.

tional Investor's 2021 All-Japan Executive Team.

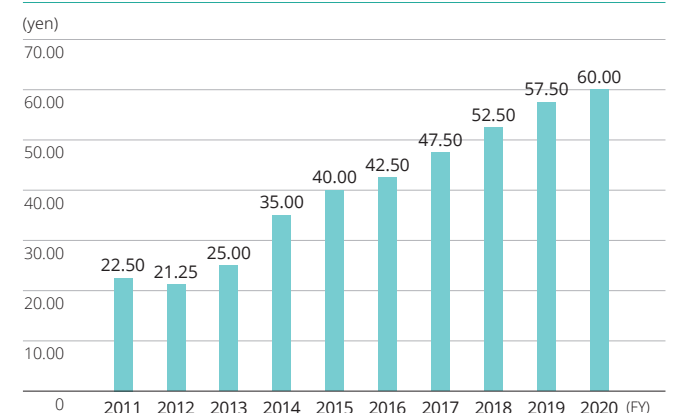
We also focus on IR for individual investors. We not only hold regular briefings for individual investors and securities companies' sales staff but also take new measures, including participating in various events for individual investors and creating and publishing YouTube videos for them.

Shareholder Return Policy

While improving corporate value through business growth and expansion is an important issue for management, we also recognize shareholder returns as a key management theme. For dividends, we will continue to return profits to shareholders, while considering capital efficiency, after securing the necessary internal reserves for research and development, and the CAPEX and M&A required for future growth. For the acquisition of treasury stock, our basic policy is to purchase treasury stock as a means of implementing agile capital policies in response to changes in the business environment.

Regarding dividends, the dividend per share has steadily increased over the past 10 years, reaching an annual dividend of 60 yen per share and a dividend payout ratio of 28.8% in FY2020. For the acquisition of treasury stock, we purchased 2,850,200 shares (equivalent to 18,527,768,000 yen) between January 24, 2020 and January 22, 2021. We have also set limits for treasury stock acquisition at 50 billion yen (or 4,000,000 shares) for the period from January 26, 2021 to January 25, 2022.

Our dividend record for the past 10 years (actual dividend per share)



* A two-for-one stock split was conducted for shares of common stock as of April 1, 2014 and April 1, 2020. Dividends per share are calculated on the assumption that the stock split was conducted at the beginning of FY2011.

We will strive to improve shareholder value, not only by accelerating growth investment to achieve the medium-term strategic goal while keeping balance with financial discipline, but also by promoting ESG management and other non-financial goals.

Toward Achieving Sustainability

Basic stance

Our definition of “sustainable business management” is to ensure that the direction of business strategies that the company pursues conforms with the path the world seeks in order to solve social issues, and to continue the company’s robust, steady growth.

While we recognize the need to review our overall management from a new perspective, the COVID-19 global pandemic has made us more strongly aware of the importance of being prepared for uncertainties. Thus, in order to ensure the sustainability of our businesses, we identified five issues of materiality based on the medium- to long-term visions of our stakeholders both inside and outside the company, and clarified 15 action themes, including “Realize a carbon-free society,” “Respect human rights and follow proper labor practices,” and “maintain and foster globally competitive human resources.” We have also established various systems to ensure the implementation of proactive and continuous improvement

activities for each theme. For example, to check the progress of the improvement activities on a regular basis, the ESG Materiality Steering Committee headed by the President (CEO) was organized. We have also established a risk management system covering both financial and nonfinancial domains so as to promptly address risks that may arise in the future. Moreover, the CSR Charter, which was established in 2008 and has served as the most important guidelines for Nidec’s CSR to date, the CSR Declaration on the Conduct, which clarifies the actions that our employees should choose to take from the perspective of fulfilling their social responsibilities, and all the other documents and regulations concerning CSR constitute the foundation for our materiality initiatives. We will continue to launch effective sustainability strategies by leveraging all of our philosophies and experience, with the aim of making our businesses more sustainable.

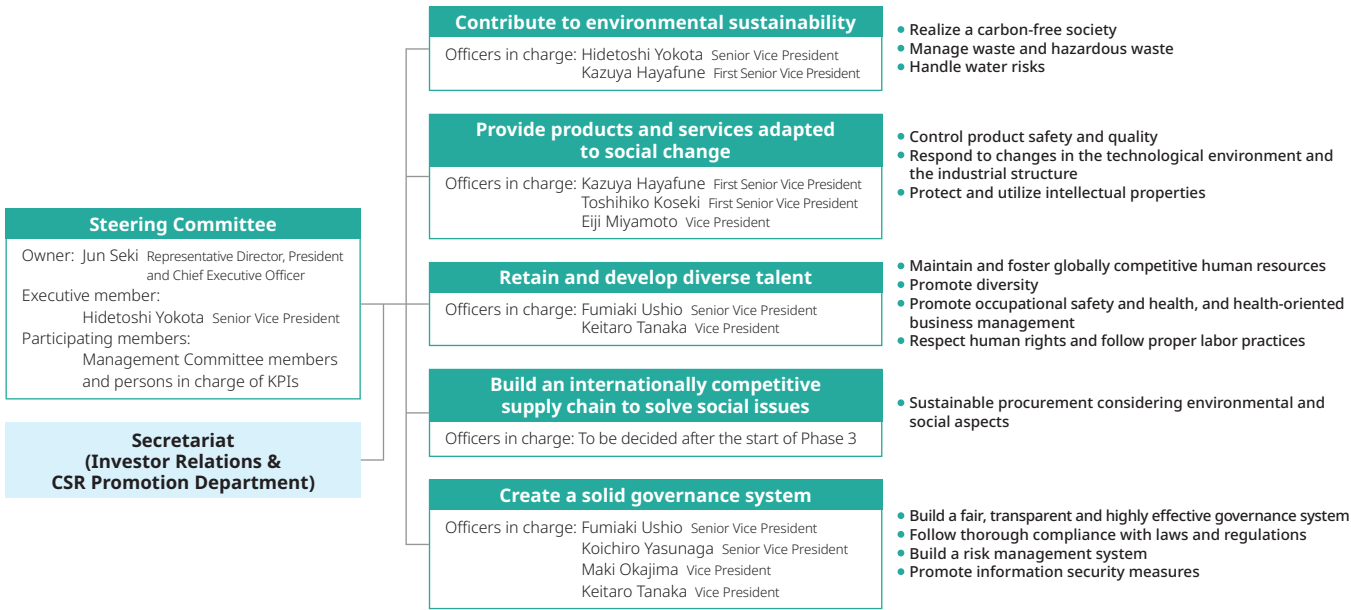
Organization to promote materiality actions

The five materiality issues Nidec has identified are associated with a total of 15 action themes, which are classified into three phases according to the timing of the start of action.* As a system to check that each activity is being conducted steadily and effectively, we regularly hold meetings of the ESG Materiality Steering Committee. The ESG Materiality Steering Committee is placed directly under the Management Committee and is headed by Jun Seki, Representative Director,

President and Chief Executive Officer. The Committee meets once every quarter to report on the progress and problems of the action themes in each Phase. Reports are given directly by the directors in charge of each action theme. The matters discussed and decided on at the Committee meetings are immediately reflected in the action plan.

* See page 24.

Organization of the ESG Materiality Steering Committee



*1 As of November 2021

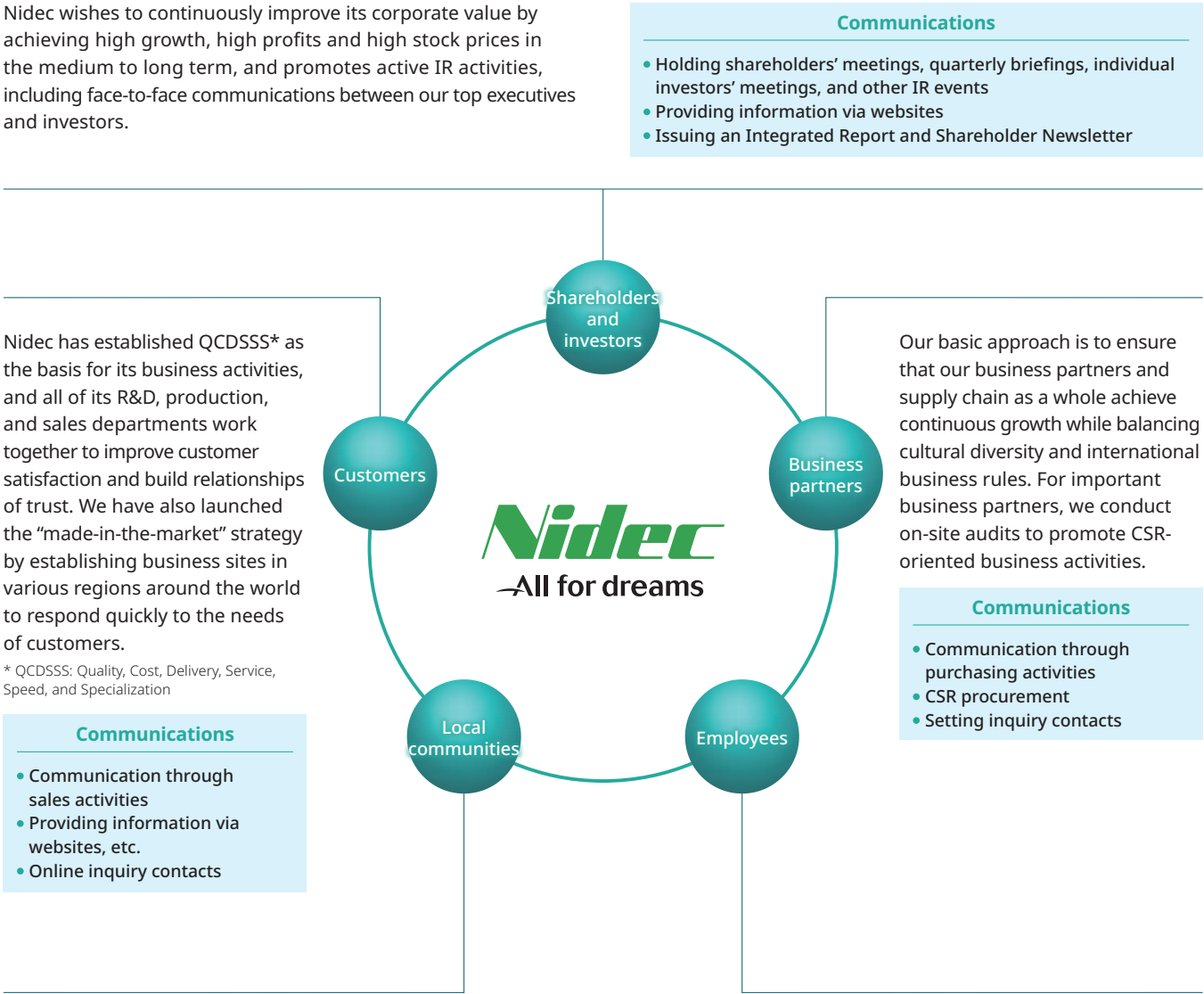
*2 The Vice Presidents of Nidec assume the roles and responsibilities of a managerial position generally known as the Executive Officer.

Stakeholder engagement

Nidec’s major stakeholders include its shareholders and investors, customers, business partners, local communities, and employees. It is our important business management task to meet the expectations of our stakeholders through communications with them.

Nidec’s major stakeholders

Nidec wishes to continuously improve its corporate value by achieving high growth, high profits and high stock prices in the medium to long term, and promotes active IR activities, including face-to-face communications between our top executives and investors.

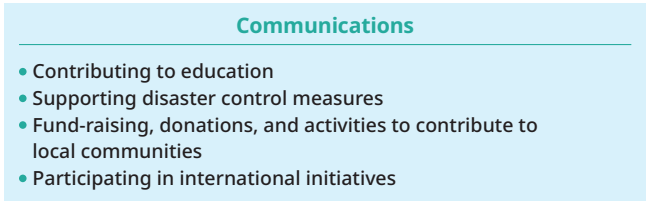


Nidec has established QCDSSS* as the basis for its business activities, and all of its R&D, production, and sales departments work together to improve customer satisfaction and build relationships of trust. We have also launched the “made-in-the-market” strategy by establishing business sites in various regions around the world to respond quickly to the needs of customers.

* QCDSSS: Quality, Cost, Delivery, Service, Speed, and Specialization

We have bases in each country/region to enable two-way communications with local communities, and engage in social contribution activities to address issues for the future identified through the communications.

Based on the Three Essential Attitudes of “Passion, enthusiasm and tenacity,” “Work hard and smart,” and “Do it now; do it without hesitation; do it until completed,” we are committed to developing globally competent talents and building a working environment where diversity is respected so that all employees can exercise their abilities to the full.





Realize a carbon-free society

Nidec announces that it will achieve carbon neutrality in fiscal 2040 as a major pillar of its new medium-term strategic goal Vision 2025 and materiality initiatives, with the aim of contributing to the realization of a carbon-free society. This is our new, higher-level environmental target established based on the SMART2030 environmental target set in 2018, in view of the accelerating moves of the international community toward decarbonization.

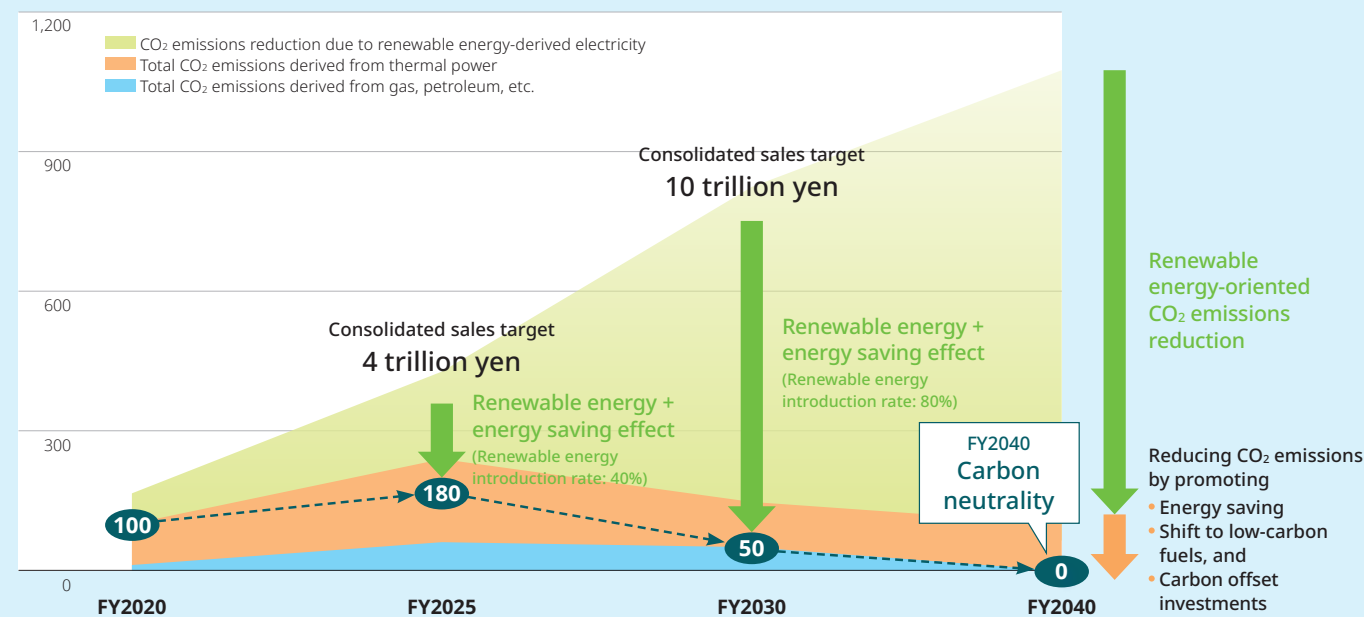
To achieve this target, we will first aim to substantially reduce the CO₂ that Nidec emits directly through its business activities at present (Scope 1), and CO₂ that is emitted in

the production stage of heat or energy used in business activities (Scope 2), by making our businesses more energy efficient and proactively introducing renewable energies. After building a solid foundation for renewable energy-oriented CO₂ emissions reduction, we will promote a shift to energy-saving, low-carbon fuels and employ carbon offset investments and other measures, thereby achieving carbon neutrality in our business activities in fiscal 2040.

For CO₂ emitted in the supply chain (Scope 3), we will decide a reduction plan by fiscal 2025.

Changes in CO₂ emissions along with introduction of renewable energy-derived electricity

(CO₂ emissions: Million tons)



Contributing to decarbonization through products

Basic stance

As global trends toward decarbonization are accelerating in response to intensifying climate change, Nidec, as a global business operator, is committed to the development and supply of products that will contribute to decarbonization. Specifically, focusing on products for automobiles, which are said to account for over 10% of CO₂ emissions around the world, we have decided to set as a KPI the sales volume of products that reflect the global automobile

electrification trend by converting it into the volume of CO₂ emissions reduced.

While our contribution to decarbonization through our products has been recognized to some extent by our investors and other stakeholders, we are aware that the numerical data to support it is insufficient. In November 2020, we disclosed a reduction in CO₂ emissions due to the introduction of the E-Axle EV traction motor system.

We will identify a further reduction in CO₂ emissions due to the introduction of electric power steering (EPS) motors, and further work to make visible our contribution to decarbonization through many other products.

Materiality Phase 1 KPI

- Reduce CO₂ emissions by introducing the EV traction motor system E-Axle:

Cumulative total from FY2020 to FY2025: **11,700,000 t-CO₂**

- Reduce CO₂ emissions by introducing EPS motors:

Cumulative total from FY2020 to FY2025: **26,261,000 t-CO₂**

Specific product example: Provision of high-efficiency, energy-saving motors

The key to reducing CO₂ emissions from automobiles is to reduce the load on the engine and improve fuel efficiency. From this perspective, many car manufacturers around the world are increasingly adopting electric power steerings (EPS). The Nidec Group supplies EPS motors expected to improve fuel economy by about 5% compared to hydraulic motors.

The Group also offers electric oil pump motors to enable the idling stop function, and many other products that will lead to the reduction of emissions of CO₂ and other air pollutants.

For other products, please see below.

<https://www.nidec.com/en/sustainability/environment/system/motor/>

Reducing CO₂ emitted in business activities

Basic stance

In addition to contributing to decarbonization through products, we will also be committed to reducing CO₂ emissions in business activities. As the Nidec Group's energy use is expected to continue to increase due to the expansion of its production scale, including M&As, we must establish a system whereby CO₂ emissions can be reduced despite an increase in the total amount of energy use. Since electricity from thermal power generation accounts for over 80% of the total consolidated energy consumption of the Nidec Group, we have decided to achieve a dynamic shift to renewable energy as our goal for the moment and set a KPI for it.

The Nidec Group is currently working to achieve carbon neutrality in fiscal 2040. However, the Group has so far introduced equipment to improve the energy efficiency of its business operations and renewable energy facilities only within a range that would not incur any cost increase, on the ground of drastic changes in the market environment. As a result, the ratio of renewable energies in the Nidec Group as a whole remains less than 10%. We will therefore make further efforts to reduce CO₂ emissions in our business activities.

Materiality Phase 1 KPI

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

Specific action example: Use of renewable energy

Some of our operation sites have installed solar panels on their buildings to provide a small percentage of the electric power they use. In recent years, around 20% of our sites in Japan and Asia have begun to purchase renewable energy electricity directly from electric power companies to cover 100% of their electricity usage, or purchase Green Power Certificates for 10 to 100% of their electricity usage. We will expand our renewable energy use in all possible forms.

For other actions, please see below.

https://www.nidec.com/en/sustainability/environment/system/re-impact/global_warming/



Manage waste and hazardous waste

Basic stance

As increasing waste has been a global social problem in recent years, Nidec is working to establish a business system to help realize the effective reuse of raw materials. We have been making efforts not only to eliminate waste in manufacturing processes, but also to minimize the use of containers and packaging materials. Besides these, we are making continuous efforts to promote the recycling of waste by encouraging thorough sorting.

The Nidec Group pays sufficient attention to the use and storage of chemical substances at its business sites to prevent leakage thereof, while striving to reduce the use and emissions of chemical substances as far as possible as part of the initiative to improve and innovate production processes. The Group also utilizes its information systems and analysis techniques to satisfy international regulations concerning hazardous chemical substances contained in products.

It will be our policy to work for the careful management of waste and hazardous waste to respond to rising social demand, and to avoid undermining our corporate value due to delay in action.

Specific actions

Waste management

In FY2020, due to efforts to improve the recycling rate and reduce the use of paper, the volume of final waste disposal at our production sites decreased by around 7% from the FY2019 level. Non-production sites achieved a reduction of around 40% mainly due to an increase in the number of work-from-home employees as a result of the spread of COVID-19 infection.

Monitoring and disclosure of releases and transfers of chemical substances

In accordance with the PRTR system* based on Japanese law, the Nidec Group monitors and discloses the amounts of released and transferred chemical substances that are designated under the system and used at the Nidec Group's sites in Japan. The Group voluntarily monitors the release and transfer of chemical substances that are not subject to the PRTR system.

* Pollutant Release and Transfer Register

Handle water risks

Basic stance

Water is the most important resource and is indispensable for people's lives and industries. It is said that excluding seawater, icebergs and glaciers, only around 1% of water resources on the Earth are actually utilizable. Nidec recognizes the significant impact that depletion of water resources may have on its business continuation, such as shortening of operation hours or suspension of operations at plants, and has implemented initiatives to minimize the environmental load (conservation of water resources) at each stage of the intake, use and discharge of water. We are also engaged in water risk management through such measures as identifying risks in water intake and discharge for the continuation of business activities, and determining the impact of our water intake/discharge on peripheral areas and the water source areas.

Specific actions

Recycling of water

As demonstrated by Nidec Copal (Zhejiang) Co., Ltd., where reused/recycled water exceeded 50% of total water use in FY2020, active efforts have been made to promote reuse and recycling of water at some of our business sites. However, looking at all the business sites covered in the Sixth Medium-term Environmental Conservation Plan,* the water reuse/recycling rate in FY2020 remained as low as 2.9%. We will make further improvement efforts by introducing the practices of business sites where water reuse/recycling is actively promoted to other sites.

The total amount of water discharge at our production sites in FY2020 decreased by around 11% from the FY2019 level mainly due to the lower plant operation rate as a result of the spread of COVID-19 infection. Non-production sites achieved a reduction of around 5% due to an increase in the number of work-from-home employees. We will continue our efforts for further improvement.

* For details of the Sixth Medium-term Environmental Conservation Plan, please see below.
<https://www.nidec.com/en/sustainability/environment/system/overview/>

Provide products and services adapted to social change

Pursue product safety and quality

Basic stance

As the world's leading comprehensive motor manufacturer, Nidec has a duty to contribute to building a safe, secure, and sustainable social infrastructure by providing environment-friendly products. To fulfill this duty, it is necessary to establish a supply chain that enables the continuous reduction of environmentally hazardous substances in each product. As applications of our products are rapidly expanding, our present tasks are to formulate uniform material procurement standards to stabilize the environmental performance of our broad range of products at high levels, and to establish a rating system of environment-friendliness of purchased parts and components based on the standards.

Moreover, now that the automotive products business has developed into a major segment accounting for over 20% of our consolidated net sales, in order to satisfy all the quality needs of car manufacturers, it is important to have globally uniform methods of quality management and quality assurance. To strengthen the cross-departmental management of the automotive business covering all automotive products, we plan to establish an overall quality control organization and system by FY2025.

Meanwhile, risks associated with our automotive-related products have been increasing in line with the expansion of our market presence. The safety of automotive products is a matter of the highest priority with respect to human lives. We will conduct strict safety assessments of finished and in-process products (mainly newly developed products) to prevent the quality failure of any of the automotive products Nidec provides from having a significant impact.

Respond to changes in the technological environment and the industrial structure

Basic stance

The COVID-19 pandemic has been accelerating the pace of changes in technologies, while the powerful trend toward carbon neutrality is dramatically transforming the industrial structure. Nidec expects new Five Big Waves in society and recognizes the importance of advancing product development and improving the business portfolio in response to the new waves. While actively promoting the development of new products adapting to the Five Big Waves, we will also continue to pursue the high efficiency and miniaturization of motors that contribute to energy and resource saving in line with the globally accelerating movement toward decarbonization.



Materiality Phase 2 KPI

- 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.



Materiality Phase 2 KPI

- 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.



Research and development to support the sustainable growth of the company

To promote active product development in the fields of the Five Big Waves, a major market trend based on social issues, and achieve the sustainable development of the company, technological collaboration among R&D organizations is necessary to link the social needs to the sustainable development of the company. Nidec's research and development centers are the functions to conduct such broad and integrated R&D activities. The Nidec Research and Development Center, Japan and the Nidec Research and Development Center, Taiwan are company-wide organizations transcending the boundaries of Business Units, and engage in research on elemental technologies for motors in general. The Nidec Center for Industrial Science established in 2018 conducts research and development focusing on advanced production technologies beyond the existing framework of manufacturing, with the aim of strengthening the manufacturing foundation and creating globally useful technologies through networking with universities, research institutions and companies.

All these research centers are headed in the common directions of miniaturization and high efficiency and energy saving, which are also the major approaches to the Five Big Waves. For example, for the decarbonization wave, the EV traction motor system E-Axle, which supports the dissemination of EVs, will be the driving force, while HDD motors and cooling devices (vapor chambers, etc.) will play key roles in the waves of digital data explosion and 5G & thermal solutions. Further reduction of the size and weight of these strategic products will contribute significantly to improving the energy efficiency of the final products of our customers in which these components will be installed, and reducing the amounts of resources used in them.

Furthermore, we will formulate a roadmap to continuously launch new products in an effective manner and visualize the amount of social contribution of each product. Through these efforts, we will solidify the base of development that supports Nidec's sustainable growth.

Major products in the Five Big Waves fields

Carbon neutral society	<ul style="list-style-type: none"> EV traction motor system E-Axle Automotive motor
Power saving and post-COVID-19 pandemic	<ul style="list-style-type: none"> Refrigerator compressor Home appliance motor
Manpower saving	<ul style="list-style-type: none"> Automated guided vehicle AC servo motor Reducer Motor for drones
5G & thermal solutions	<ul style="list-style-type: none"> Heat pipe / Vapor chamber Fan motor
Digital data explosion	<ul style="list-style-type: none"> HDD motor for digital servers

Protect and utilize intellectual properties

Basic stance

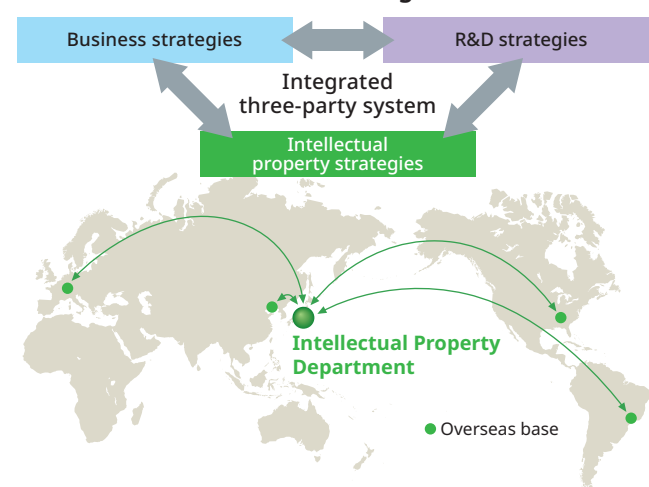
Nidec aims to contribute to businesses through the creation of intellectual added value, and endeavors to improve the value of its intellectual properties by establishing and reinforcing a professional IP organization and an internationally competitive IP portfolio. We believe that effective patents can be achieved through the integrated three-party system based on close collaboration among the business, R&D and intellectual property departments under a management policy of carefully cultivating individual invention ideas. To encourage the "work smart", one of our Three Essential Attitudes, by engineers to create ideas and know-how for new technologies, Nidec has an awarding system to recognize efforts to develop inventions and contributions to business. At the same time, Nidec respects the intellectual property rights of other companies, receiving licenses or technologies from them as necessary or allowing them to use our intellectual property rights, thereby promoting multiple utilizations of intellectual properties.

At present, Nidec's target consolidated net sales in FY2025 are 4 trillion yen. To achieve this target, we must enter new markets. To this end, our group companies are engaged in cross-departmental research and development activities in line with the new medium-term strategic goal Vision 2025, creating new technologies adapted to upcoming social and business changes, such as decarbonization, power saving and manpower saving. And to protect these technologies and maintain competitive advantages, we will develop an IP portfolio suited to our future businesses and advance the portfolio transformation by continuously evaluating the value of our intellectual properties. Based on this approach, we will set KPIs and conduct IP-related activities.

Materiality Phase 2 KPI

- 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.

Framework for IP activities and global bases



Human Resources

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



Retain and develop diverse talent

Maintain and foster globally competitive human resources

Basic stance

In order to achieve consolidated net sales of 10 trillion yen in FY2030 and realize the Vision to become a global company that grows sustainably for the next 100 years and beyond and the world's leading solution-providing business group that solves numerous problems for the people of the world, the Nidec Group believes that it is crucial to maintain and foster globally competitive human resources, in other words, human resources capable of working globally. We define those who have high abilities in the 3P attitudes (Proactive, Productive, Professional), problem solving, and cross-cultural communication as global human resources, and foster such human resources at the Global Training Center, which is Nidec's human resources development base. Nidec currently focuses on talent management aimed at identifying and developing talented human resources, including local personnel at overseas sites and Group companies in Japan. We plan to introduce a talent management system for the integrated management of talented human resources. Furthermore, to create human resources who will be motivated to play an active role in achieving the target of 10 trillion yen of consolidated net sales in FY2030, we are determined to implement various measures to maintain and foster globally competitive human resources, including introducing a new personnel system based on global standards to properly evaluate the work results.



Next Generation Global Business Leader Training Program



Nagamori Business School

Developing global human resources

Aiming to develop human resources who will take the initiative in realizing the Vision, Nidec opened the Nidec Global Business School in FY2016 and started the Next-Generation Global Business Leader Training Program in FY2017 to train candidates for the school at a sufficiently early stage. So far, trainees selected from 14 countries around the world (Japan, the U.S., Canada, Mexico, China, Thailand, the Philippines, Singapore, India, Italy, Germany, France, the UK, and Poland) have completed the program and are working as global leaders in their respective countries and regions.

Nidec is also working to establish a human resources pipeline as a system to constantly generate global human resources in a stable manner. Starting from FY2020, we have the Human Resources Development Committee as a forum to discuss succession plans for key positions of the Nidec Group, including those overseas. The Human Resources Development Committee meets four times annually to hold discussions between President Seki and other top management members on the adequacy of the succession plans, and identify employees with the potential to become candidates for next-generation leaders and enhance strategic training for the early development of such human resources.

FY	Training programs
2017	<ul style="list-style-type: none"> Next-Generation Global Business Leader Training Program started. Overseas trainee program started.
2016	<ul style="list-style-type: none"> Nidec Global Business School opened.
2015	<ul style="list-style-type: none"> Nagamori Business School established. Nidec Motor College started.
2013	<ul style="list-style-type: none"> Internal language school opened with English lessons at various levels started. Training programs expanded to Group companies.
2012	<ul style="list-style-type: none"> Professional skills training programs for engineers, sales staff, etc. started. Challenge seminars, online education programs, etc. started. (Training themes: strategic thinking, leadership, negotiation skills, etc.)
2010	<ul style="list-style-type: none"> Company-wide TOEIC test started for all employees (twice a year). English study seminars held at each business site.

Promote diversity

Basic stance

The Nidec Group recognizes diversity as a source of competitiveness. In conducting businesses globally, we believe that we can effectively respond to a rapidly changing business environment and customer needs by respecting and accepting the differences among individuals and making the best use of such differences.

The Nidec Group has its development, production, sales and research sites all over the world, where diverse human resources are actively working. We are committed to hiring talented, motivated individuals regardless of their personal characteristics and values, while working to establish evaluation and promotion systems and a working environment that allow employees to fully exercise their potential abilities.

Meanwhile, although female managers have been steadily increasing at Nidec, we are aware of the need to implement measures to improve the ratio of managerial positions held by women, and promote the active participation of female directors. As the company has so far focused on developing systems and an environment contributing to the improved productivity and career development of employees, our next task is to operate and promote systems that are tailored to diverse employees. In addition, to build a foundation for the medium to long term for employees to bring the best out of themselves, enhanced efforts are

required to promote the health of the employees and encourage them to autonomously think about their career paths and take action. In view of these tasks, Nidec released the plans below (non-consolidated) in March 2020.

- **Raise the ratio of managerial positions held by women to 8% by FY2020, and increase the number of female directors to two or more by FY2021.**

* As of the end of FY2020: 5.7% of all managerial positions held by women, three female directors

- **Raise the percentage of employees using one of the three systems (home working, staggered shift work, and by-the-hour annual paid days-off systems) to 40% or more by FY2022.**

* As of the end of FY2020, 29%, 24% and 45% of all employees used working from home, staggered shift work and by-the-hour annual paid leave system, respectively

- **Raise the percentage of male employees taking childcare leave to 10% by FY2025.**

* As of the end of FY2020: 9.0%

The percentage of managerial positions held by women was 5.7% at the end of FY2020, failing to reach the target of 8%. We will continue to make efforts to achieve a percentage of 8% or higher for managerial positions held by women by the end of FY2022.

Efforts to promote female empowerment

Phase 1	Phase 2	Phase 3
<p>Support work-life balance</p> <p>► 2005 Started efforts to promote female empowerment Launched measures to support work-life balance</p> <p>► 2007 Established a system to promote activities at each business site</p> <p>► 2008 Organized lectures for career advancement, workplace gatherings, and a role-model development project</p>	<p>Support active participation</p> <p>► 2015 Organized study sessions for self-improvement and skill development, publication of a journal, various gatherings, internal surveys, follow-up for employees on childcare & maternity and childcare leave, lectures by guests from outside, etc.</p> <p>► 2016 Proposed systems and measures necessary to promote the active participation of women to the company's top executives, organized a lecture by an outside guest and an internal seminar by a female department GM</p> <p>► 2017 Established a Diversity Promotion Office (now Diversity & Inclusion Office, Human Resources Department) Introduced three systems (working from home, staggered work shifts, and by-the-hour annual paid leave system) and a return-from-childcare-leave support program, issued a childcare & nursing guidebook, and held a career seminar</p>	<p>Active participation</p> <p>► 2020 Enhanced training programs Enhanced and operated talent management</p>



Poster for the Positive Action campaign



Employees participating in a project activity



Proposing measures to top executives

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

Basic stance

The declining working population is a social challenge for the world, including Japan. Companies are required to take good care of their limited labor resources by supporting the health management of individuals, and thereby help to maximize the value of their human resources. To this end, it is crucial to create a working environment where employees can be motivated and productive.

The Nidec Group declares in its CSR Charter, "Based on cooperation between our management and employees, we strive to ensure workplace safety and good health to establish a work environment that brings out the best in each individual." Nidec's health-oriented business management is based on the promotion of making a safe and comfortable work environment, and securing the safety and good health of its employees.

Nidec released the Declaration on Promoting Good Health in June 2020 to announce its determination to enhance "health and productivity management," and the company was certified as an Outstanding Health and Productivity Management Organization 2021 (in the large enterprise category) by the Ministry of Economy, Trade and Industry (METI) in March 2021. In addition, Nidec has set up a cross-departmental Health Promotion Committee to enhance systems for health management and promotion, while organizing health seminars by industrial doctors and conducting a health awareness survey on all employees, with the aim of improving the health literacy of employees. Furthermore, with the aim of achieving a total smoking ban at all operation sites by the end of FY2021, Nidec is currently promoting a partial smoking ban with understanding of the importance of health and productivity management. By promoting health and productivity management, we will improve our competitiveness and corporate value.

Nidec's Declaration on Promoting Good Health

The Nidec Group, which considers its employees' good health and work satisfaction to be important sources of its business management, promotes actions for a "health-oriented management." Good health is extremely precious for an employee and his/her family. In addition, our employees' lively and continued action to achieve success will form the basis of Nidec as a "company that grows sustainably for the next 100 years." We hereby declare that we will work in good health, which will constitute an infrastructure for our employees and their families to support the next-generation society, so that each employee can continue to work with passion and enthusiasm to demonstrate his/her highest-level performance.

June 2020

Shigenobu Nagamori
The Nidec Group representative

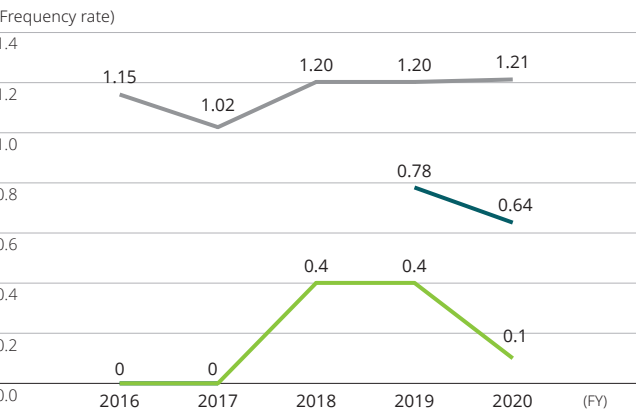
Materiality Phase 2 KPI

- Check safety activities at production sites where the lost-time-injury frequency exceeds the average BU rate: Six sites or more (per year).
- Carry out a remote safety check: Six sites or more (per quarter).
- Receive certification as a White 500 Company (in the large enterprise category) under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program.

Safety

To build a safe and comfortable work environment, all group companies' business bases, including newly built bases and those that newly joined by way of M&A, place the highest priority on the safety of their employees and promote safety activities. The Nidec sites in Japan have a safety and health committee in place to discuss measures to secure the safety of all the sites, including plants. Our goal is to maintain a safe working environment and achieve a zero lost-time injury frequency rate.

Lost-time injury frequency rate



— Whole Nidec — Non-consolidated — Manufacturing industry in Japan (average)

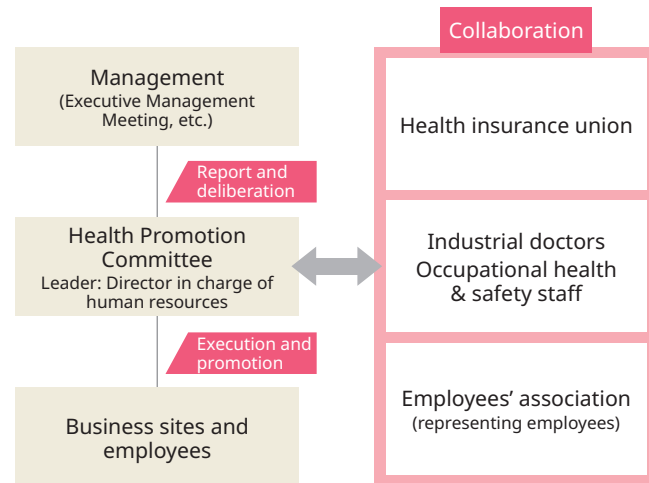
* Lost time injury frequency rate: Number of deaths and injuries from occupational accidents / Total work hours x 1 million hours
Deaths and injuries per 1 million hours worked in total
Calculation of consolidated data began from FY2019.



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, 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 doctors, i.e., health experts, and a health insurance union for the entire company to promote health-oriented business management.

Health management promotion system



Response to COVID-19

Nidec considers ensuring the safety of its employees and business partners as its highest priority, and is committed to the continuous provision of products and services, while striving to prevent the transmission of COVID-19 inside and outside of the company. In January 2020, Nidec set up a crisis management headquarters to organize the procedure in the event that infection occurs, formulate and implement measures to prevent infection within its business sites, and establish policies according to the medical system and infection status of each country. The company encouraged employees to make full use of the work-from-home and staggered work shift systems as measures to prevent infection. To minimize the impact in the case of infection, zoning of business sites, temporary closure of cafeterias, and strict control of individuals who may have contact with an infected person and other measures are also flexibly employed according to the situation. Also, workplace vaccination is provided for employees in Japan and their family members, thereby ensuring a workplace environment where employees can feel safe in fulfilling their duties. Amid the expected "with COVID" environment, the Nidec Group will continue to take concerted action promptly and appropriately in cooperation with all relevant parties.

Respect human rights and follow proper labor practices

Basic stance

Recognizing the importance of considering human rights in global business environments, Nidec upholds international guidelines such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the UN Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work in response to diversifying human rights-related issues. The Nidec Group CSR Charter provides for respect for human rights, while the Nidec Group Declaration on CSR Conduct, which complements the CSR Charter, prohibits forced labor, child labor, and discrimination and inhumane treatment, and guarantees proper wages, work hours, non-work days, leaves, freedom of association, and the right to collective bargaining.

At present, the Nidec Group has over 300 operation sites in 43 countries and regions, as well as several times that number of business partners supporting our business activities in each country/region. Many of the key plants and their supplier plants are operating in countries where the legal systems to protect human rights are said to be insufficient. Most of the labor and ethical problems arising at workplaces these days are said to be attributable to inadequate management of human rights. It is important for companies to be aware that they are responsible for not only human rights issues inside their business sites, but also labor and ethical issues arising in their supply chains. As a company conducting business activities across various countries, religions, customs and cultural values, the Nidec Group recognizes its role to uphold policies at the head office and take the initiative, and has set as a KPI: Clarify human rights policies for workers including those in the supply chain, and spread them among employees. We are determined to fulfill our responsibility in respecting human rights, and advance efforts to create safe and secure workplaces where diverse human resources can play active roles.

Materiality Phase 1 KPI

- Clarify human rights policies for workers including those in the supply chain, and spread them among employees.

Specific actions

The Nidec Group's human rights-related risk assessment is focused primarily on Asia, where more than 70% of its employees operate. In partnership with a third-party certification organization, we regularly implement audits at our major factories in Asia, using the set of standards substantially equivalent to the RBA Code of Conduct.* The audit encompasses the seven essential dimensions of human rights, including at-will employment, child/young labor, and work hours.

* RBA (Responsible Business Alliance) is an organization established for the purpose of solving social, environmental and ethical issues in the supply chains of the electronics industry.

Supply Chain



Build an internationally competitive supply chain to solve social issues

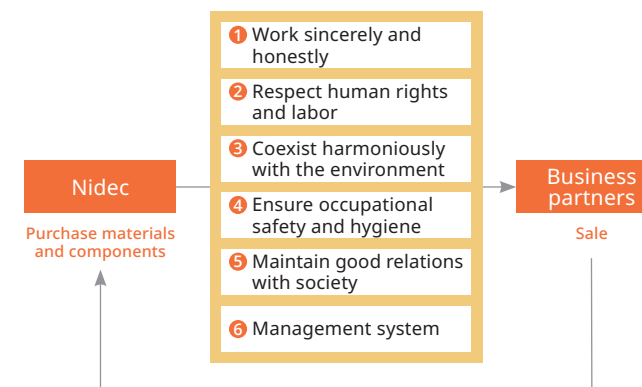
Sustainable procurement considering environmental and social aspects

Basic stance

Working in collaboration with its business partners, the Nidec Group promotes CSR activities throughout the entire supply chain. To ensure that our business partners fulfill their corporate social responsibility, we require them to comply with the Nidec Group CSR Charter in basic business contracts with them. Additionally, in the Nidec Group Supply-Chain CSR Promotion Guidebook, we describe specific standards based on the pillars of the CSR Charter, and share them with our business partners.

We set sustainable procurement considering environmental and social aspects as a new materiality theme. Through the procurement activities considering social aspects, such as prohibiting child labor and forced labor and eliminating long working hours, and environmental aspects, such as energy consumption by suppliers, bio diversity, and utilization of waste/resources, we ask business partners for their further cooperation.

CSR procurement flow



Nidec supplier CSR self-assessment

Starting from 2018, 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 compliance with the Nidec Group Supply-Chain CSR Promotion Guidebook. The areas of the survey are based on Chapters 1 through 6 of the Guidebook, to assess the status of individual business partners based on a total of 111 items. We provide our feedback regardless of the assessment scores, to urge improvement.

	FY2018	FY2019	FY2020
Number of suppliers that conducted a Nidec supplier CSR self-assessment	705	672	698

CSR audit of business partners

Since FY2010, the Nidec Group has audited its main business partners on-site. In FY2020, the Nidec Group audited 138 of its business partners on-site in Asia and other regions.

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 FY2020, to prevent COVID-19 infections, lectures were held in the forms of e-learning and remote classes, attended by 169 people.

	FY2018	FY2019	FY2020
Number of participants in the CSR seminar for purchasing personnel	434	308	169

Nidec Electronics (Thailand) Co., Ltd. held a session to explain the Responsible Business Alliance (RBA) to ensure that all of its business partners understand Nidec's CSR. Nidec Electronics (Thailand) also held presentation meetings on CSR procurement for its major business partners, and audits them on-site based on the results of advance survey sheets. Since FY2013, our CSR audit standard has been based on the RBA. In FY2020, we launched activities with the target of requesting 121 of our business partners to comply with the CSR audit standards.

Create a solid governance system

Build a fair, transparent and highly effective governance system

Basic stance

The purpose of corporate governance of the Nidec Group is to become a conscientious and principled company that earns society's trust, and to increase corporate value sustainably based on the motto, "High growth, high profit, and high share price." To this end, we maintain and enhance our internal control, run our business healthily and efficiently, and disclose information appropriately to increase the transparency of the company's business operations.

Nidec became a company with an Audit and Supervisory Committee in 2020, and has been working to enhance the supervisory function of the Board of Directors by setting up a Remuneration Committee. To further improve the effectiveness of the Board of Directors, we will consider introducing effectiveness evaluation of the Board of Directors by a third-party organization and setting up a Nominating Committee.

Nidec is also committed to ensuring the independence and diversity of the Board of Directors. The Board of Directors of Nidec comprises nine members, including five outside members. All nine members are individually selected with a good balance, based on their knowledge, experience and qualifications in a diversity of areas, as well as on Nidec's businesses, business environment, and the like. The members include those with broad experience of working overseas, as well as women, in order to secure diversity in terms of

internationality, gender, etc. Going forward, when selecting candidates for the Board of Directors, Nidec will continue to take into account, among others, the balance of the knowledge, experience and qualifications of the Board of Directors as a whole, and the number of its members based on its diversity in gender, career history, age, etc. and on Nidec's business scale.

Based on the understanding that corporate governance is one of the highest-priority issues for the sustainable growth and improved corporate value of the company, we will make persistent efforts to enhance and improve the relevant systems.

Materiality Phase 1 KPI

Board of Directors

1 Continue to have the effectiveness of the Board of Directors evaluated by a third party.

2 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

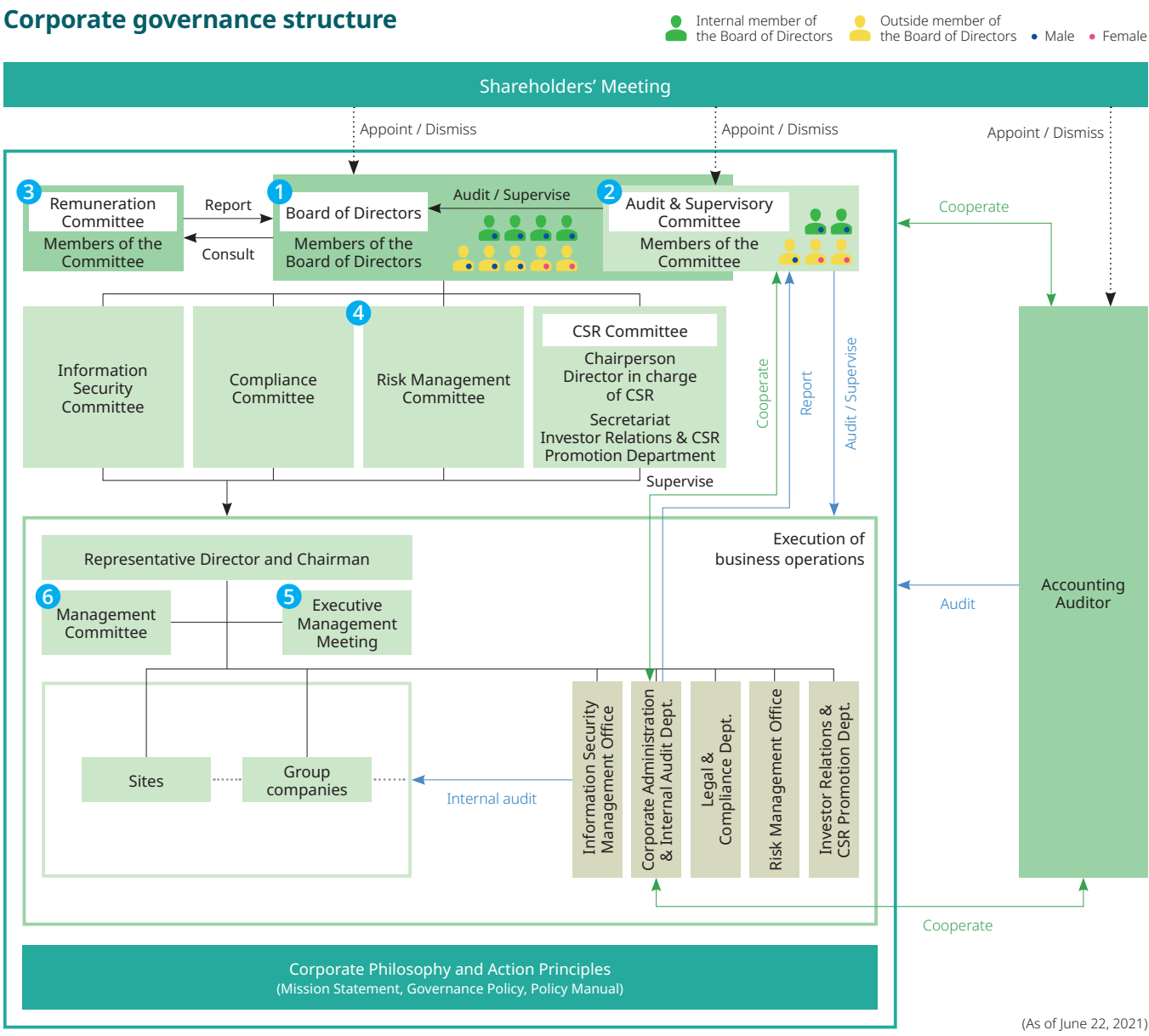
1 Increase transparency and fairness in the appointment and removal process of directors.

2 Improve the effectiveness of the Remuneration Committee, and ensure the objectivity and transparency of remuneration decisions for directors.

History of Nidec's corporate governance

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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												Responding to global business expansion and rapid changes in the business environment	
Outside members of the Board of Directors			Outside member 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									
Advisory committee for the Board of Directors													Remuneration Committee	
Outside directors' meeting (informal meeting)														
Board of Directors Effectiveness evaluation														

Corporate governance structure



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.

Themes of deliberations at the Board of Directors meetings

Themes of deliberations/ reports at the Board of Directors meetings (FY2020)	Category	Percentage
Financial results		42.4%
Individual matters		33.9%
Compliance, risk management, internal control		7.6%
Business strategies, sustainability, governance		6.8%
M&A		6.8%
Shareholders' meeting, shareholders		2.5%

Effectiveness evaluation of the Board of Directors

Annually, Nidec sends out questionnaires to all members of the Board of Directors, including Outside Members, on the effectiveness of the Board of Directors' meetings, and the Board of Directors discusses, analyzes and assesses the results of the questionnaires. Based on the results of the questionnaires, Nidec formulates measures for constant improvement.

Questionnaire survey on the effectiveness of the Board of Directors (efforts and evaluation)

Efforts made in FY2020

- Executive directors provided a business overview for members of existing informal meetings (for Outside Members of the Board of Directors who are not members of the Audit and Supervisory Committee, and Members of the Board of Directors who are members of the Audit and Supervisory Committee).
- Promoted understanding of our business at informal meetings (explanation of the business and online plant tour)

Summary of FY2020 evaluation results

- Evaluated appropriate in that the Board of Directors' meetings on the whole functioned sufficiently and that discussions and operation of the Board of Directors' meetings have been improved, in addition to the composition, frequency and length of the Board of Directors' meetings and the quality of information and explanation provided thereat

- Problems found include inappropriate timing of provision of materials for meetings, and insufficiency of efforts to realize the medium- to long-term plan and analysis of the cause of failure to achieve targets.

Efforts that have been made in FY2021

- Take measures to ensure that proposals and explanation materials be submitted by the deadline so that sufficient time can be taken for examination concerning the operation of internal meetings of the Board of Directors.
- Continue to provide advance explanation for Outside Members of the Board of Directors so that they can be provided with sufficient information and opportunities for discussion.
- Promote understanding of our business by members of informal meetings (explanation of business overview by executive directors, advance explanation, and online plant tours).
- Examine information provided by investors and other stakeholders at informal meetings so that sufficient discussions can be held at Board of Directors' meetings.

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	○	○						○
Jun Seki	○	○	○					
Kazuya Murakami			○			○	○	
Hiroyuki Ochiai			○		○			○
Teiichi Sato		○		○	○			
Osamu Shimizu				○		○	○	
Takeshi Nakane			○		○			○
Aya Yamada			○	○		○		
Takako Sakai				○		○	○	

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 whenever necessary. In these meetings, they exchange information and opinions on audit results, audit systems, audit plans, audit implementation status and the like. In FY2020, the accounting auditors were invited to six meetings of the Audit and Supervisory Committee to closely exchange information.

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

The Corporate Administration & Internal Audit Department, Nidec's internal audit department, regularly reports to the Audit and Supervisory Committee on the results of the Nidec Group's internal audits. The department also exchanges opinions and shares information with the Audit and Supervisory Committee as necessary, and conducts on-site audits at the request of the Audit and Supervisory Committee.

Remuneration Committee

The Remuneration Committee consists of two internal members and three outside members of the Board of Directors, headed by Jun Seki, Representative Director and President (Chief Executive Officer) as the chairperson. The Committee members discuss basic policies and systems for remunerations of directors in response to consultation from the Board of Directors, and reports the results back to the Board of Directors.

Various committees

Name	Description
Risk Management Committee	The Risk Management Committee is placed under the Board of Directors and is headed by the person appointed by the Board of Directors as the chairperson, to decide risk management policies and measures, issue punishments for delays or negligence in reporting, and submit reports and proposals to the Board of Directors. It also monitors the company-wide risk management status and constantly reviews the adequacy of allocation of resources necessary for risk management. Based on the annual policies established by the Risk Management Committee, department general managers and Group companies formulate and carry out their respective annual risk management plans.
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 two months and the Legal & Compliance Department serves as the secretariat for the meetings.
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.
CSR Committee	The CSR Committee is placed under the Board of Directors and is headed by Hidetoshi Yokota, 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.

Executive Management Meeting

The Executive Management Meeting convenes once a month to assess the present state of business and determine the next course of action, based on the monthly performance data and outcome of discussions at respective meetings where important group-wide concerns are shared among administrative departments, subsidiaries and business units.

Management Committee

The Management Committee, the consultative body to the Representative Director and Chairman, is held and chaired by the President and Chief Executive Officer twice a month in principle to discuss overall operational directions, plans and other important considerations in the execution of business.

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	Remuneration Committee	
Teiichi Sato	Mr. Sato has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, the Japan Society for the Promotion of Science, and other organizations. He will provide Nidec with advice on its overall business matters 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.	22	—	1	He actively provides opinions at the Board of Directors' meetings based on his experience and deep insight in a broad range of fields, including human resources development. He is also a member of the Remuneration Committee established as a consultative body to the Board of Directors of Nidec in February 2021. He plays an important role in ensuring the transparency of the process to decide remunerations for directors, and determining the adequacy of the remunerations, thereby overseeing the management from an independent and objective standpoint.
Osamu Shimizu	Mr. Shimizu has held prominent posts at the Ministry of Finance of Japan and other organizations. He will provide Nidec with advice on its overall business matters 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 the ordinary shareholders, and therefore designated him as an independent director.	20	—	1	He actively provides opinions at the Board of Directors' meetings based on his abundant experience in the fiscal and monetary fields, and also from the professional perspective of a lawyer. He is also a member of the Remuneration Committee established as a consultative body to the Board of Directors of Nidec in February 2021. He plays an important role in ensuring the transparency of the process to decide remunerations for directors and determining the adequacy of their remunerations, thereby overseeing the management from an independent and objective standpoint.
Takeshi Nakane	Mr. Nakane has held prominent posts at the Ministry of Foreign Affairs of Japan and other organizations. His advice based on his abundant experience and expertise from an independent position will help the Board of Directors strengthen its decision-making and audit and supervisory functions. 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 the ordinary shareholders, and therefore designated him as a member of the Board of Directors who is also a member of the Audit and Supervisory Committee.	22	15	—	He actively provides opinions at the meetings of the Board of Directors and the Audit and Supervisory Committee based on his abundant experience and broad knowledge of foreign policy from an independent and objective standpoint, fulfilling the supervisory function of management. As a member of the Audit and Supervisory Committee, he also contributed to audits by the Audit and Supervisory Committee on the execution of duties by members of the Board of Directors.
Aya Yamada	Ms. Yamada currently works as a professor of the Graduate School of Law, Kyoto University. Her advice, based on 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 an endowed course "Advancing Electrical Equipment to Realize a Friendly Global Environment," held by Kyoto University Graduate School of Engineering. The amount of the donation, 1.3 million yen in fiscal 2016 (compared to the total amount of donation to the university during the same fiscal year, of 4,756 million yen), 49 million yen in fiscal 2017 (compared to a total of 4,848 million yen), 45 million yen in fiscal 2018 (compared to 5,163 million yen), 39 million yen in fiscal 2019 (compared to 5,352 million yen), and 39 million yen in fiscal 2020, is insignificant compared to the total amount of donation to the university. In addition, given that Ms. Yamada's department is not the one to whom Nidec made its donations, and that Ms. Yamada is not in a position to represent the university, Nidec believes there is no conflict of interest between Nidec and Ms. Yamada, and therefore there is no problem regarding her independency.	16	10	—	She actively provides opinions at the meetings of the Board of Directors and the Audit and Supervisory Committee based on her high-level academic expertise as a professor in the field of law from an independent and objective standpoint, fulfilling the supervisory function of management. As a member of the Audit and Supervisory Committee, she has also contributed to audits by the Audit and Supervisory Committee on the execution of duties by members of the Board of Directors.
Takako Sakai	Ms. Sakai currently works as a professor of the Graduate School of Economics, Osaka Prefecture University. Her advice, based on high-level expertise as a university professor from an independent position, will help the Board of Directors strengthen its decision-making and the audit and supervisory functions. 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 the ordinary shareholders, and therefore designated her as a member of the Board of Directors who is also a member of the Audit and Supervisory Committee.	17	10	1	She actively provides opinions at the meetings of the Board of Directors and the Audit and Supervisory Committee based on her high-level academic expertise as a professor in the field of taxation and accounting from an independent and objective standpoint, fulfilling the supervisory function of management. She is also a member of the Remuneration Committee established as a consultative body to the Board of Directors of Nidec in February 2021. She plays an important role in ensuring transparency of the process to decide remunerations for directors and determining the adequacy of their remunerations. As a member of the Audit and Supervisory Committee, she also contributed to audits by the Audit and Supervisory Committee on the execution of duties by members of the Board of Directors.

*1 During the fiscal year under review, the Board of Directors held 22 meetings, the Audit and Supervisory Committee held 10 meetings, the Audit & Supervisory Board before transition to the Audit and Supervisory Committee held five meetings, and the Remuneration Committee met once.
*2 The number of meetings of the Audit and Supervisory Committee attended by Takeshi Nakane includes five meetings of the Audit & Supervisory Board.
*3 Aya Yamada and Takako Sakai were newly appointed at the 47th Annual General Meeting of Shareholders held on June 17, 2020. After this, 17 meetings of the Board of Directors and 10 meetings of the Audit and Supervisory Committee were held during the fiscal year under review.

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 visit the field sites of subsidiaries.

Executive remuneration

1. 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.

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	• Standard amount for each job rank x Degree of achievement of the target consolidated net sales and consolidated operating profit • Points are provided within a range from 0 to 200% • 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)

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.

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
- 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

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 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.

2. 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	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)	122	132	-10	—	7
Audit and Supervisory Committee members (excluding outside members of the Board of Directors)	25	25	—	—	2
Audit & Supervisory Board members (excluding outside members)	9	9	—	—	2
Outside directors	34	34	—	—	7

*1 The figures above include five members of the Board of Directors and two outside members of the Audit & Supervisory Board who resigned during the fiscal year under review.

*2 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.

*3 The target period of the performance-linked share-based remuneration system is three years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021, which was the remaining period of the Vision 2020 medium-term strategic goal. The fiscal year under review is the final year of the period. Since the amount of the performance-linked share-based remuneration including the portion linked to the medium-term performance is finalized in the final fiscal year, the amount of the performance-linked share-based remuneration finalized during the fiscal year under review is less than the total accumulated amount calculated as of the end of the previous fiscal year. Therefore, the amount of difference is provided in the table above.

*4 Based on the resolution at the 47th Annual General Meeting of Shareholders held on June 17, 2020, the company became a company with an Audit and Supervisory Committee on the same day.

*5 The amounts and numbers of recipients of the remuneration received as members of the Audit & Supervisory Board and the remuneration received as members of the Board of Directors who are members of the Audit and Supervisory Committee during the fiscal year under review are provided separately.

3. Total amount of consolidated remuneration, etc. of each director

Not provided as there are no individuals whose total amount of consolidated remuneration, etc. is 100 million yen or more.

Internal control

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, the Group has compiled its basic policies related to internal control as the “Nidec Policy Manual.” 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, the Information Security Committee and the CSR Committee are organized under the Board of Directors, under which the Legal & Compliance Office, the Risk Management Office, the Information Security Management Office, and the IR & CSR Promotion Department are placed as the secretariat respectively, working to create a corporate culture and enhance management systems for internal control.

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 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.

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 cross-held 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 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.

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.

(Basic views on exercising voting rights)

With regard to the individual proposals submitted to the shareholders’ meetings of the companies Nidec invests in,

Follow thorough compliance with laws and regulations


Basic stance

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.

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.

**Materiality Phase 2 KPI**

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

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, and limited-term employees). Fiscal 2020 saw a total of 116 cases of whistleblowing and consultations made on suspected misconducts and harassment, among others, a decrease of 26 cases from the previous fiscal year. The status of internal reports is reported to the Board of Directors and the Audit and Supervisory Committee on a regular basis.

	FY2018	FY2019	FY2020
Number of cases	106	142	116

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.

Risk management system

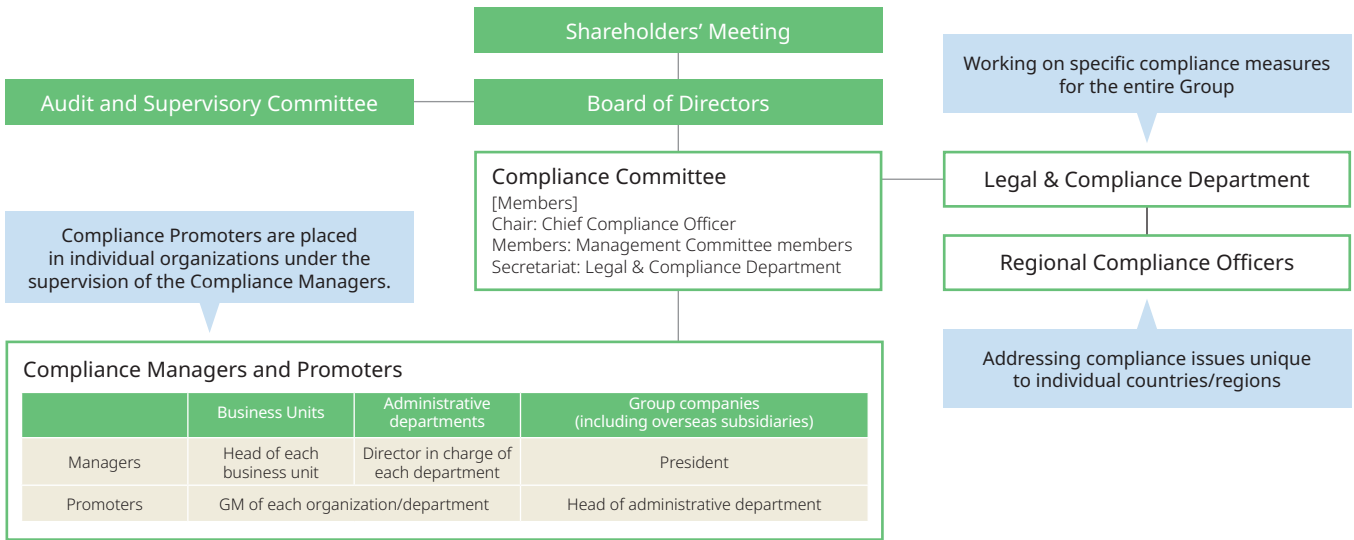
The Nidec Group uses a medium-term business plan, which is designed to realize the group's long-term vision that is defined as a set of specific numerical and qualitative targets, as a basis of the group's business plan for each fiscal year. The medium-term plan is formulated based on discussions on its feasibility as a medium-term goal, consistency with the long-term vision, and issues and risks to overcome for its achievement. The plan may be revised (rolled) during its execution phase according to changes in the market and the status of progress.

We have also formulated the Risk Management Regulations to establish a risk management system for the entire Nidec Group, and have in place a Risk Management Committee under the Board of Directors. Important information is promptly reported and shared in the risk management meeting held every morning, so that the information can be utilized in our daily operations. It is also discussed and shared in the Management Meeting as necessary.

BCP (Business Continuity Plan)

Starting from March 2014, the Nidec Group has conducted BCP simulation training assuming such risks as an earthquake, flooding, drought, outbreak of an infectious disease, and fire, at its sites both inside and outside Japan. As of March 31, 2021, over 3,100 employees had participated in the training. At the end of January 2020, we set up a COVID-19 Crisis Management Headquarters, working to revise the company's BCP based on the assumption that the pandemic would be prolonged.

The Nidec Group's global compliance system



Build a risk management system

Basic stance

It is necessary and important to identify and manage risks for the purpose of preventing the expansion of losses due to lack of readiness for possible risks, loss of business opportunities, decline of ratings, and other negative impacts. Nidec has identified risks facing the Nidec Group, clarified the relevant departments, and determined the risks that should be reduced in order of priority. The company manages the progress of reducing the impact of such risks on our business, while working to enhance its initiatives to identify signs of risks.

Materiality Phase 2 KPI

- 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 any residual risks.

Promote information security measures

Basic stance

The Nidec Group possesses information that is necessary for conducting its business activities, including not only the information produced or gathered within the Group but also information provided by its business partners. We understand that it is very important to protect and use these information assets properly and appropriately. Information that should be protected includes management information, technical information, financial information and personal information, which are extremely important. Deterioration or leakage of any such information may lead to loss of trust in us from our customers or the market, as well as a decline in our competitiveness. It may also result in a legal penalty.

Based on this understanding, in 2019, Nidec appointed a Chief Information Security Officer and set up an Information Security Committee, under which an Information Security Management Office was placed as a department dedicated to information security. Also, each organization of the Group has an information security manager and an information security promoter in place to support the Group's information security management.

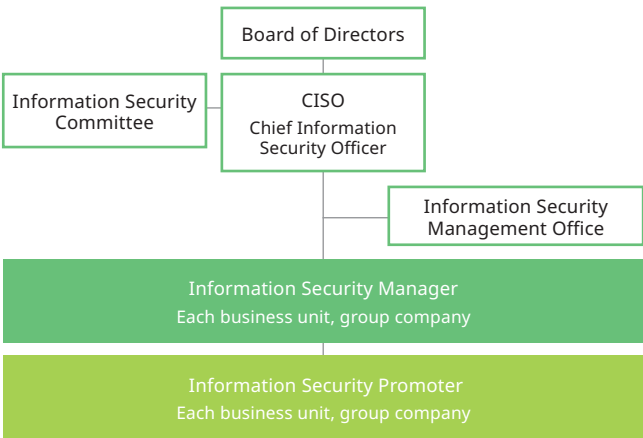
Since FY2019, information security training has been continuously provided for directors and employees. During the information security enhancement month each year, information on the theme for the year is communicated to raise the awareness of information security of directors and employees.

We will continue to identify and assess rapidly changing and increasing information security risks, and make efforts to ensure the proper protection and use of our information assets by operating effective systems appropriate for individual risks under the Group's information security structure, with the aim of achieving the target of zero serious security incidents.

Materiality Phase 2 KPI

- Reduce the number of serious information security incidents to zero.

Information security structure



Management (as of November 1, 2021)

Board of Directors



Shigenobu Nagamori
Representative Director and Chairman
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 and
President
October 2014 Chief Executive Officer (CEO)
Representative Director, Chairman
of the Board and President
June 2018 Chief Executive Officer (CEO)
Representative Director and
Chairman
June 2021 Chief Executive Officer (CEO)
Representative Director and
Chairman (current position)

Significant concurrent positions
Member of the Board of Directors and Chairman:
Nidec Sankyo Corporation
Nidec Techno Motor Corporation
Nidec-Shimpo Corporation
Nidec Mobility Corporation
Nidec Copal Corporation
Chairman of the Board, Nagamori Gakuen
Educational Foundation



Jun Seki
Representative Director and President
Chief Executive Officer (CEO)
Remuneration Committee Member

(Born on May 9, 1961)
Number of the Company's
shares possessed: 0

Career summary
April 1986 Nissan Motor Co., Ltd.
April 2014 Senior Vice President
December 2019 Executive Officer, Vice-COO
January 2020 Special Executive Consultant, Nidec
Corporation
April 2020 President
June 2020 Chief Operating Officer
Representative Director and
President (current position)
June 2021 Chief Executive Officer (CEO)
(current position)

Significant concurrent positions
Executive General Manager of Appliance, Commercial
& Industrial Motor Business Unit
Member of the Board of Directors and Chairman:
Nidec Tosok Corporation
Nidec Elesys Corporation
Nidec India Private Limited
Member of the Board of Directors: Nidec Mobility
Corporation
Nidec Machinery Corporation



Takeshi Nakane
Outside Member of the Board of Directors
Audit and Supervisory Committee Member

(Born on June 24, 1949)
Number of the Company's
shares possessed: 0

Career summary
April 1974 Ministry of Foreign Affairs of Japan
February 1996 Director, Overseas Establishments
Division, Minister's Secretariat
April 1998 Minister, Japanese Embassy in the
Republic of Korea
May 2000 Consul-General in Munich, Germany
August 2002 Assistant Vice-Minister
August 2005 Director-General, Disarmament,
Non-proliferation and Science
Department, Foreign Policy Bureau
July 2008 Envoy Extraordinary and Minister
Plenipotentiary, Permanent Mission of
Japan to the International Organizations
in Vienna
July 2009 Ambassador Extraordinary and
Plenipotentiary of Japan to the Federal
Republic of Germany
January 2012 Left the Ministry of Foreign Affairs of Japan
February 2016 Special Assistant to the Ministry of
Foreign Affairs of Japan (current position)
March 2018 Director, Kyoto Gakuen Educational
Foundation (currently Nagamori
Gakuen Educational Foundation)
June 2019 Outside Member of the Audit and
Supervisory Board, Nidec Corporation
June 2020 Outside Member of the Board of
Directors who is an Audit and
Supervisory Committee Member
(current position)

Significant concurrent positions
Special Assistant to the Ministry of Foreign Affairs of Japan



Aya Yamada
Outside Member of the Board of Directors
Audit and Supervisory 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 Member of the Board of Directors
who is an Audit and Supervisory
Committee Member (current position)

Significant concurrent positions
Professor, Graduate School of Law, Kyoto University



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

(Born on January 18, 1955)
Number of the Company's
shares possessed: 3,000

Career summary
April 1977 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, Fukuoka Local
Finance Branch Bureau, 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, Kanto Local
Finance Bureau, Ministry of Finance
of Japan
August 2009 Executive Director, Organization for
Small & Medium Enterprises and
Regional Innovation, Japan
June 2012 Full-time Member of the Audit and
Supervisory Board, Nidec
Corporation
February 2013 Registered as an attorney-at-law,
Kyoto Bar Association
June 2013 Vice President
June 2017 Full-time Member of the Audit and
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 Techno Motor Corporation
Auditor of Nidec-Shimpo Corporation
Auditor of Nidec-Read Corporation
Auditor of Nidec Global Service Corporation
Auditor of Nidec Machinery Corporation
Auditor of Nidec Machine Tool Corporation



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

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

Career summary
April 1983 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 Develop-
ment 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,
Ministry of Agriculture, Forestry
and Fisheries of Japan
July 2008 Counsellor, Cabinet Secretariat,
(Assistant Chief Cabinet Secretary)
August 2010 Seconded to Nidec Corporation
August 2012 Returned to METI
December 2012 Director-General, Training Institute
of Economy, Trade and Industry
March 2013 Left METI
June 2018 General Manager, General Affairs
Department, Nidec Corporation
June 2018 Full-time 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 Sankyo Corporation
Auditor of Nidec Tosok Corporation
Auditor of Nidec Mobility Corporation
Auditor of Nidec Copal Electronics Corporation
Auditor of Nidec Copal Corporation
Auditor of Nidec Servo Corporation
Auditor of Nidec Elesys Corporation



Takako Sakai
Outside Member of the Board of Directors
Audit and Supervisory Committee Member
Remuneration Committee Member

(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 (current position)
June 2020 Outside Member of the Board of
Directors who is an Audit and
Supervisory Committee Member
(current position)

Significant concurrent positions
Professor, Graduate School of Economics, Osaka
Prefecture University



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

(Born on October 15, 1941)
Number of the Company's
shares possessed: 1,000

Career summary
April 1964 Ministry of Education, Science,
Sports and Culture of Japan
(currently the Ministry of Education,
Culture, Sports, Science and
Technology of Japan)
July 1990 Deputy Director-General (Higher
Education Bureau)
July 1992 Deputy Commissioner, Agency for
Cultural Affairs
July 1993 Director-General, Science and
International Affairs Bureau
July 1994 Director-General, Minister's
Secretariat
July 1997 Vice Minister of Education, Science,
Sports and Culture of Japan
July 2000 Director-General, Japan Society for
the Promotion of Science
January 2003 Ambassador Extraordinary and
Plenipotentiary, Permanent
Delegation of Japan to UNESCO
April 2007 Executive Director, Tokyo National
Museum
October 2009 Professor, Graduate School of
International University of Health
and Welfare
June 2015 Member of the Board of Directors,
NHK Promotions Inc. (current
position)
June 2018 Outside Member of the Board of
Directors, Nidec Corporation
(current position)

Significant concurrent positions
Member of the Board of Directors, NHK Promotions Inc.



Osamu Shimizu
Outside Member of the Board of Directors
Remuneration Committee Member

(Born on September 21, 1953)
Number of the Company's
shares possessed: 0

Career summary
April 1976 Ministry of Finance of Japan
June 1984 Executive Director, African
Development Bank
November 1996 Personal Secretary to Minister of
Finance of Japan
January 1998 Director for Inter-Division Affairs,
Budget Bureau
July 1999 Director, Income Tax and Corporation
Tax Policy Division, Tax Bureau
July 2001 Director, Planning and Administration
Division, Tax Bureau
July 2003 Director-General, Fukuoka Regional
Taxation Bureau, National Tax Agency
July 2004 Deputy Director-General of the
Minister's Secretariat (Local
Administrative and Financial
Reform), Ministry of Internal Affairs
and Communications of Japan
July 2006 Deputy Director-General (Internation-
al Bureau, Tax Bureau and
Minister's Secretariat), Ministry of
Finance of Japan
January 2007 Director-General, Okinawa
Development and Promotion
Bureau, Cabinet Office
July 2010 Director-General (Okinawa Affairs),
Cabinet Office
January 2012 Vice-Minister for Policy Coordination,
Cabinet Office
April 2014 Professor, Faculty of Political Science
and Economics, Waseda University
(current position)
June 2018 Outside Member of the Board of
Directors, Nidec Corporation
(current position)
October 2018 Registered as an attorney-at-law,
Dai-ichi Tokyo Bar Association

Significant concurrent positions
Professor, Faculty of Political Science and Economics,
Waseda University

Vice Presidents

Vice Chairman Hiroshi Kobe	Executive Vice President Toshihiko Miyabe	First Senior Vice President Kazuya Hayafune	First Senior Vice President Yoshihisa Kitao	First Senior Vice President Toshihiko Koseki	
Senior Vice President Fumiaki Ushio	Senior Vice President Kintaro Izumida	Senior Vice President Hidetoshi Yokota	Senior Vice President Kuniyasu Tampo		
Senior Vice President Noboru Kaneko	Senior Vice President Hideki Nishimura	Senior Vice President Koichiro Yasunaga	Senior Vice President Takeshi Horie		
Vice President Yujin Okochi	Vice President Toru Takahashi	Vice President Keitaro Murakoshi	Vice President Kenji Ito	Vice President Eiji Miyamoto	Vice President Nakaba Kataoka
Vice President Shingo Tsuji	Vice President Takamitsu Araki	Vice President Maki Okajima	Vice President Keitaro Tanaka	Vice President Junichiro Nakayama	Vice President Tomoko Hirata
Vice President Yoshimitsu Gushiken	Vice President Takahiro Sato	Vice President Junichi Nagai	Vice President Kazutsugu Igarashi	Vice President Yoshiko Fujii	

*1 The number of shares owned are rounded off to the nearest thousand.
*2 The Vice Presidents of Nidec assume the roles and responsibilities of a managerial position generally known as the Executive Officer.

Messages from Outside Members of the Board of Directors

Nidec Corporation is committed to enhancing its governance for the purpose of achieving its sustainable growth and improved corporate value. The following are messages from our five Outside Members of the Board of Directors, describing their evaluation of our Board of Directors and its future challenges, as well as their expectations of Nidec.

I expect Nidec to see the world from a broad perspective and discuss the challenges and problems facing them at the Board of Directors' meetings.



Outside Member of the Board of Directors
Remuneration Committee
Member

Teiichi Sato

I appreciate the efforts that Nidec has made to swiftly reform its governance system reflecting the needs of the times under the management policy and philosophy that Chairman Nagamori has fostered over a long time. While the meetings of the Board of Directors are good opportunities to share information on important matters, I think it is necessary to enhance functional cooperation with the Vice Presidents.

The Vision 2025 new medium-term strategic goal sets targets properly reflecting the situation of the company. However, as the spread of COVID-19 has dramatically changed society, various changes are expected in the business environment. Therefore, I think it is necessary to be able to constantly review and revise the targets in response to rapid changes in society. In the era of VUCA (volatility, uncertainty, complexity and ambiguity), where many challenges, such as environmental issues and the shrinking labor population along with the aging of society,

are emerging, I expect Nidec to see the world from a broad perspective and discuss the challenges and problems it faces at the Board of Directors' meetings, thereby expanding its profits and continuing to grow. I will monitor the progress in the efforts to achieve the targets by gathering information from a global perspective, including information on initiatives in other industries, and will provide necessary proposals.

Nidec's high-performance motors contribute to the creation of a sustainable society. While the efforts to improve these products contribute to the creation of a future sustainable society, Nidec examines its products from a broader perspective, throughout all processes from upstream to downstream, which I highly appreciate. Meanwhile, regarding diversity, further improvement efforts should be made from a global perspective, though Nidec gives sufficient consideration to this issue at this stage.

Nidec upholds the commitment, "We contribute to the Earth by producing the highest quality motors in the world," as its corporate mission. Working to enhance its present structure and thoroughly implement the initiatives presented in Vision 2025 will directly lead to the achievement of the mission. I hope you will make steady progress.

Expecting Nidec to be advanced in ESG initiatives



Outside Member of the Board of Directors
Remuneration Committee
Member

Osamu Shimizu

Seeing the efforts to enhance governance, such as becoming a company with an Audit and Supervisory Committee and establishing a Remuneration Committee, I think Nidec has a proper governance structure from the perspectives of the continuous expansion of corporate value and consideration to stakeholders and social value. Discussions at the Board of Directors' meetings focus on the prospects of and countermeasures against various risks in relation to the Group's important investment and financial issues. Future priority themes of discussions should include the issues and risks that will be constantly identified and examined in the fields of production, sales, finance, R&D, etc. in view of the situations of Nidec's many operation sites around the world, various business fields, and Group companies. I think it is also important to examine whether a horizontal management structure is effective in comparison to a vertical organizational structure comprising production, sales and R&D, and also to review medium- to

long-term strategies on a quarterly basis.

In fiscal 2020, we faced the unprecedented crisis of the COVID-19 pandemic. In such a situation, Nidec, as the world's leading comprehensive motor manufacturer, worked to secure the supply of motors, supporting the foundation of economic activities, while maintaining the basic principle of respecting human life. I think this was appropriate.

FY2025 will be an important milestone toward achieving consolidated net sales of 10 trillion yen in FY2030. It will also be a target year for expediting the spread of electric vehicles and other actions to tackle climate change, which is a key to the further growth of the Nidec Group. The new medium-term strategic goal Vision 2025 was formulated based on these points, and I highly appreciate it as a medium-term strategy clarifying the targets that the Nidec Group should achieve. At the same time, Group-wide efforts are strongly needed to achieve the targets. As for sustainability management, active discussions are held

on climate change actions and disclosure of related information, measures to enhance human resources, such as improving the treatment of employees and recruiting more women, supply chain management, and the like. Expecting Nidec to become an advanced company in ESG initiatives by paying attention to sustainability and diversity, I will keep an eye on your future activities. I will contribute to the achievement of the Vision 2025 goal by monitoring and identifying the management and risk-related situations, predicting the trends and changes in society and the economy, and raising and examining issues at the Board of Directors' meetings.

Highly appreciating Nidec's declaration in Vision 2025 of implementing growth strategies and optimizing capital efficiency, as well as a full-scale launch of ESG initiatives



Outside Member of the Board of Directors
Audit and Supervisory Committee Member
Takeshi Nakane

Over the past two years, Nidec has been steadily advancing its efforts to enhance its governance, including transitioning to a company with an Audit and Supervisory Committee, setting up a voluntary Remuneration Committee to improve transparency in deciding remuneration, and strengthening internal control including that of consolidated subsidiaries. Along with the enhancement of governance, the function of the Board of Directors is shifting toward a so-called monitoring role, focusing on deciding management policies and other strategic matters of the company and supervising the business execution of management. I think this shift helps the company grow sustainably and improve its medium- to long-term corporate value. While this shift should be solidified, additional measures to further enhance governance, such as appointing an Outside Member of the Board of Directors as the chairperson of the remuneration

committee, should also be considered.

Nidec has released its new medium-term strategic goal Vision 2025, announcing that while relentlessly implementing growth strategies and pursuing optimal capital efficiency, it will fulfill its social responsibilities as a global corporation by launching full-scale ESG initiatives to make a greater contribution to conservation of the global environment. I see that the importance of ESG management is frequently discussed at Nidec, and I highly appreciate that actions and targets related to ESG have been incorporated in the new management strategy. Nidec's high-performance motors are expected to play a greater role along with the expansion of electric vehicles. I believe that Nidec's sustainable growth and the spread of its products worldwide will greatly help to reduce CO₂ emissions, curb global warming, and protect the global environment. Furthermore, to

make effective use of diverse human resources, opportunities should be provided to allow them to exercise their abilities to the fullest, and such opportunities will lead to the creation of innovations and new values. To this end, ideas to improve the workplace environment are actively discussed. In the future, it will be important to take a step forward and consider actively appointing women for executive positions and recruiting foreigners as members of the Board of Directors. I would like to contribute to proper decision-making of the Board of Directors toward achieving the Vision 2025 targets, by expressing my opinions on investments and M&As overseas including the political and economic situations of the investee countries, as well as international trends concerning ESG and human rights due diligence.

Expecting Nidec to see a step ahead of common-sense visions, maintain and improve its presence in the global market, and realize its ideal corporate image



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

I highly appreciate Nidec's relationships with its shareholders and its guarantee of the exercise of shareholders' rights, which form the core of governance. On the other hand, I think relationships with stakeholders other than shareholders, such as local communities and employees, need to be strengthened. For example, while the working environment for employees has been improved in various aspects, promoting diversity in gender and nationality will be the key to attracting human resources from around the world who are capable of maintaining global standards with flexible and resilient ideas. For the nomination and appointment of members of the Board of Directors and Vice Presidents, the company needs to have a process to examine the key factors in a more open manner. Although it should be carefully considered whether a Nomination Committee is the most appropriate organ, I believe that introducing viewpoints

from outside to reinforce the personnel aspect of management will lead to the continuous growth of the company.

On the other hand, I see that Nidec controls improper accounting and other scandals very effectively despite its corporate scale. For further enhancement, it will be necessary to introduce control of multiple networks including overseas Group companies, and an advanced whistleblowing system, which has seen increasing demand in recent years.

Nidec's true value lies in the fact that it is growing as a global manufacturer and expanding its profits while promoting the mission statement "We contribute to the Earth by producing the highest quality motors in the world" at the same time. Products made by utilizing the technological capabilities of the Nidec Group contribute to the protection of the global environment. I hope you will actively demonstrate how Nidec's products can contribute

to protecting the environment.

Today, globalization is progressing in corporate management, the working environment, product safety and quality standards, and many other fields beyond common understanding in Japan. Nidec already seems to be a company a step ahead of its rivals, but rather than resting on its laurels, it aims to be a company seeing a step ahead of a mere common-sense vision. I hope Nidec will continue to maintain and improve its presence in the global market while actively engaging in constructive communication with its stakeholders, thereby realizing its ideal corporate image.

In the important phase of portfolio transformation, supporting the company's growth and sustainability activities



Outside Member of the Board of Directors
Audit and Supervisory Committee Member
Remuneration Committee Member
Takako Sakai

Nidec became a company with an Audit and Supervisory Committee in 2020 and set up a Remuneration Committee in 2021, demonstrating the fact that its governance has been steadily enhanced. Sustainability is recognized as an important factor of management, and priority ESG matters are discussed at the Board of Directors. In the environment aspect, in particular, actions and measures corresponding to the company's growth stages have been formulated and the future vision is clarified, which I highly appreciate. In the social aspect, Nidec, as a company with operation sites all over the world, has been adopting diversity-oriented management through the fostering of female executives and Vice Presidents, holding management meetings participated in by foreign executives of the overseas Group companies, and other actions. I hope such actions will be continued in the future.

Another point that I highly appreciate is the fact that the internal members of the Board of Directors earnestly listen to the Outside Members of the Board of Directors, and that they explain their answers to our questions until they are understood. Every time I asked a question, I was able to get a proper answer from the internal members of the Board based on their abundant knowledge and information concerning the economic situations both inside and outside the company and related matters. From those attitudes of the internal members of the Board of Directors, I understand that Nidec is well aware of the importance of corporate governance. I was appointed as an Outside Member of the Board of Directors in 2020. While the company was significantly affected by the spread of COVID-19, the members answered my questions promptly and provided sufficient information. I understood that such

smooth responses came from their long-rooted corporate attitude, which I think is also effective in crisis management.

Nidec has entered an important phase of portfolio transformation in view of global trends. In this phase, while carefully managing its operations on one hand, Nidec has been investing in many aggressive and devoted research and development projects that will lead to an increase in sales on the other hand, toward the goal of reaching consolidated net sales of 10 trillion yen in FY2030. Group-wide efforts are continuously being made for the growth of the company and the implementation of sustainability activities, which I mentioned earlier. I would like to support you by utilizing my career experience and fulfilling the role of an Outside Member of the Board of Directors.

Business Strategies

Small Precision Motors



Review of FY2020

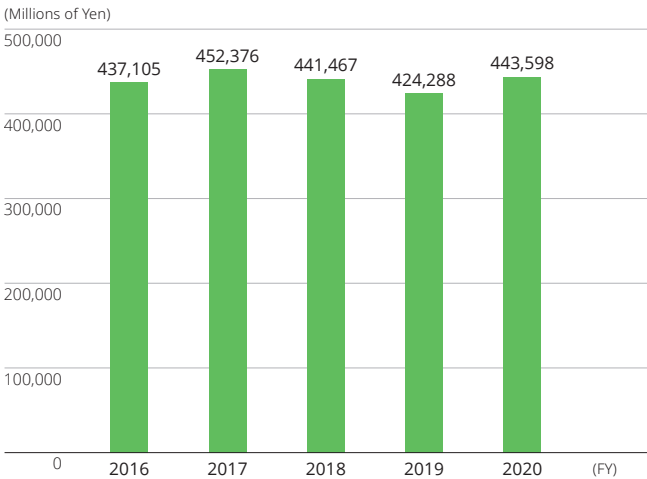
Net sales of FY2020 increased 4.6% from the previous year to 443,598 million yen. Although the sales volume of HDD motors decreased by about 22% year on year due to the impact of a decrease in the number of customers, net sales turned out to be 144,000 million yen, down 8.4% from the previous year mainly due to the efforts to improve the product mix. Net sales of other small motors increased 12.2% year on year to 299,600 million yen as a result of the market launch of new products, such as IT fan motors, motors for high-efficiency appliances, and thermal solutions for game machines.

Operating profit increased 48.3% year on year to 66,923 million yen. This was due to the all-out efforts to reduce costs by promoting the internal production of parts and other measures, in addition to an improvement in product mix of HDD motors and an increase in sales of IT fan motors and other high value-added new small motor products.

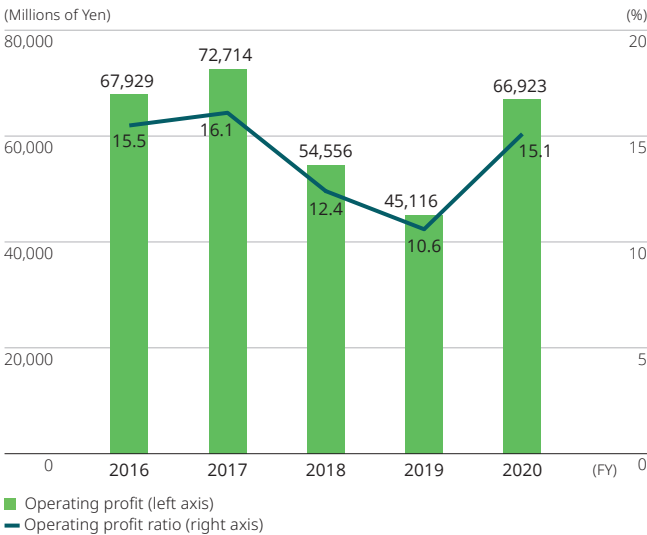
Growth strategies in Vision 2025

To achieve the net sales target of 800 billion yen (600 billion yen for existing businesses) for the Small Precision Motors segment, it is necessary to transform our business portfolio and place greater focus on high-growth areas. In addition to thermal management (invested in Chaung-Choung Technology Corporation, Taiwan in 2018), we currently focus on motors for small EVs and electric two-wheel vehicles as a field with high growth potential. As for small EVs, a low-price EV at around 400,000 yen level released in China in 2020 has ranked as one of the highest selling EVs in China, demonstrating that EVs can be sold if the prices are lower. The small EV market is expected to grow explosively. The wave of electrification is likely to come to two-wheel vehicles as it has come to four wheelers, and India and China will be the largest markets. We have already received many orders for and inquiries about motors for small EVs and electric two-wheel vehicles, and we expect further sales growth in this field.

Net sales



Operating profit / Operating profit ratio



Automotive Products



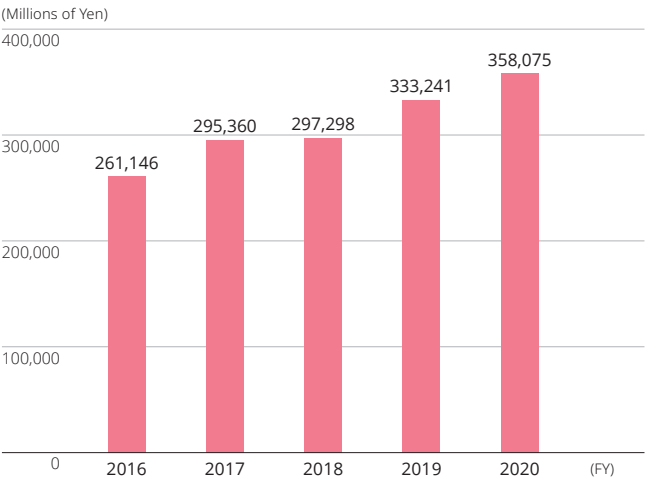
Review of FY2020

Net sales of FY2020 increased by 7.5% from the previous year to 358,075 million yen due to a rapid recovery of sales after hitting the bottom in the first quarter, as well as the effect of the acquisition of Omron Automotive Electronics (now Nidec Mobility Corporation). Although operating profit ratio of existing products recovered to a double-digit level as a result of all-out efforts for cost reduction, operating profit ended up as 19,526 million yen, a 7.9% decrease from the previous year, affected mainly by the upfront costs of development of the E-Axle traction motor system for EVs.

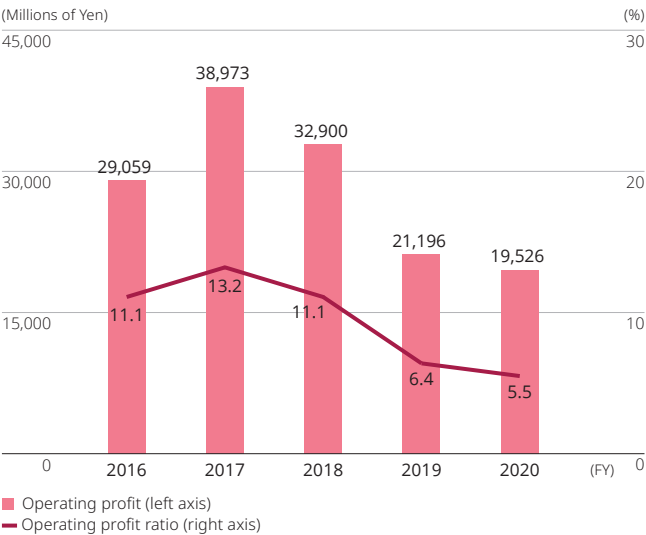
Growth strategies in Vision 2025

The net sales target for the Automotive Products segment in FY2025 is 1.3 trillion yen (1 trillion yen for existing businesses), the highest growth rate expected among all segments. In particular, the E-Axle EV traction motor system is expected to have high growth potential. In fact, we have already received orders for 3.5 million units for FY2025, which is likely to boost net sales to some hundreds of billions of yen. Today, the EV market is undergoing significant structural change. Governments around the world have announced tightening of their environmental regulations, while the emergence of new EV manufacturers and market entry from non-automotive industries have been accelerating. The electronics manufacturing service (EMS) has been increasing its presence as a key player in fabless production. Nidec started mass production of the E-Axle in 2019. Based on this experience, the company has started developing next-generation models aimed at cost reduction and standardization of specifications. We have thus been making steady preparations to secure an overwhelming competitive advantage, including establishing production facilities capable of responding to a rapid increase in EVs. Meanwhile, to keep up with the accelerating trend of fabless EV production, we have started talks with the Hon Hai Group. Moreover, for existing motor-related products, such as EPS motors, we expect, based on orders received, a substantial increase in sales from FY2020 to FY2025. We will also launch M&As in a timely manner.

Net sales



Operating profit / Operating profit ratio



Appliance, Commercial & Industrial Products



Review of FY2020

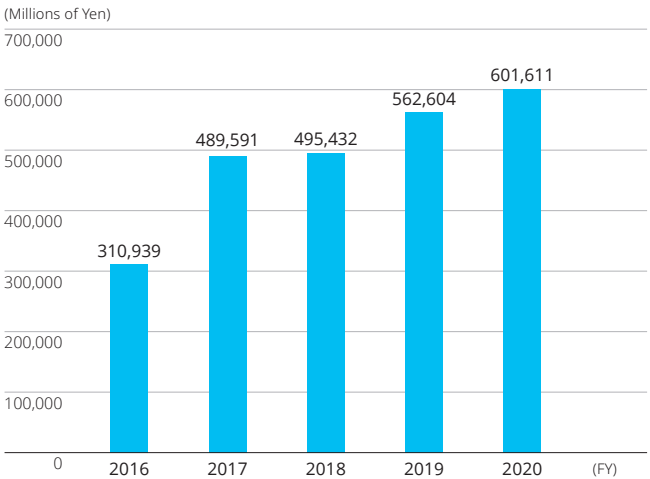
Net sales of FY2020 increased 6.9% from the previous year to 601,611 million yen, mainly due to the acquisition of Embraco, whose sales of household refrigerator compressors increased significantly.

Although around 5,700 million yen was recorded as structural reform expenses, operating profit increased 56.2% year on year to 53,025 million yen due to the increase in revenue and the implementation of all-out cost reduction measures. The operating profit ratio was over 10%, excluding structural reform expenses, consecutively in both the third and fourth quarters.

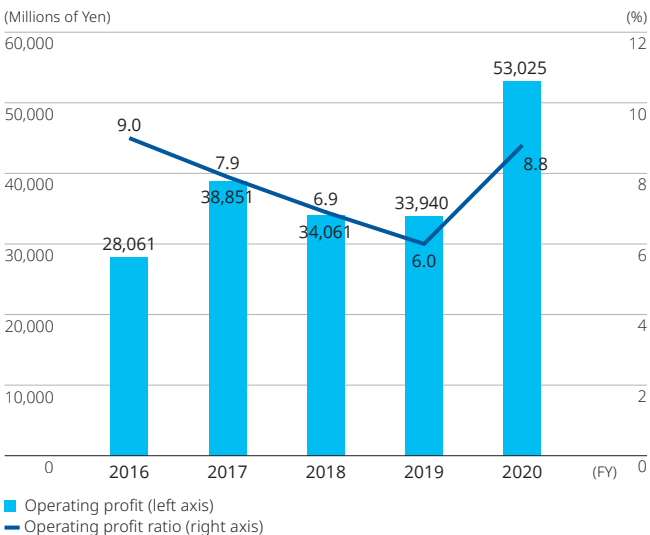
Growth strategies in Vision 2025

In FY2020, housing-related demand, mainly for home appliances, supported profit of this segment. Since the beginning of FY2021, as indicated by a significant increase in sales of motors and gears for transfer robots used at distribution centers of E-commerce companies, and a rise in sales of power generators of servo motors or construction machines for factory automation (FA), commercial and industrial demand has driven the profit of the segment. Sales of motors for commercial vehicles, battery energy storage systems (BESS), and EV charging stations are also expected to grow in the future. While the composition of profit-making products may change, demand for high-efficiency brushless DC motors is likely to grow steadily. Up to FY2025, we predict a high annual average growth rate for sales of existing businesses. Operating profit ratio for the second quarter of FY2021 was over 10%. By implementing additional cost reduction measures, we aim to achieve 15% for the full year in FY2023. To achieve Vision 2025's segment sales target of 1.3 trillion yen (1 trillion yen for existing businesses), we plan to launch M&As in a timely manner.

Net sales

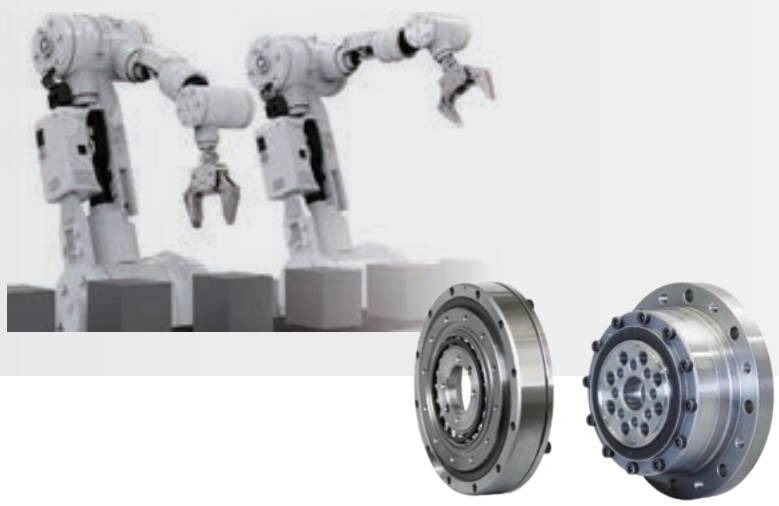


Operating profit / Operating profit ratio



Other Products

(Machinery, Electronic and Optical Components, etc.)



Review of FY2020

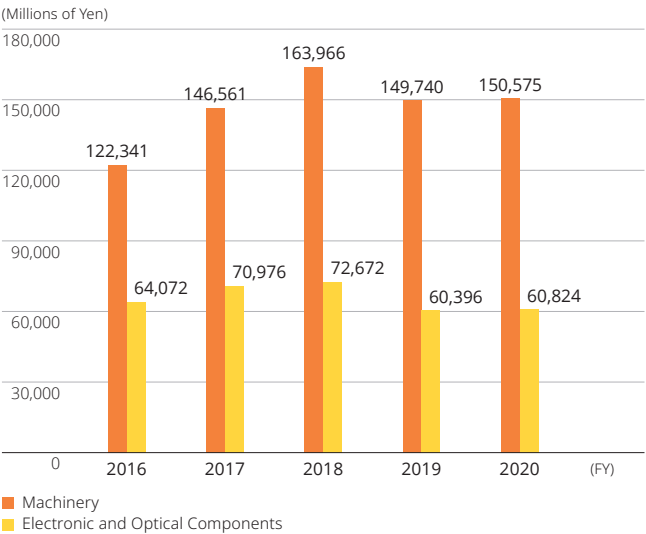
In FY2020, net sales of the Machinery segment increased by 0.6% from the previous year to 150,575 million yen mainly due to an increase in revenue from semiconductor inspection equipment supported by steady 5G-related demand. Operating profit increased by 21.3% year on year to 26,364 million yen due to an increase in profit associated with rising demand for the 5G-related new products, and the effect of cost reduction and optimization of fixed costs. Net sales of the Electronic and Optical Components segment increased by 0.7% from the previous year to 60,824 million yen, and operating profit increased by 97.3% year on year to 6,315 million yen mainly due to the sales increase as a result of the launch of new products and the improvement in fixed costs.

Growth strategies in Vision 2025

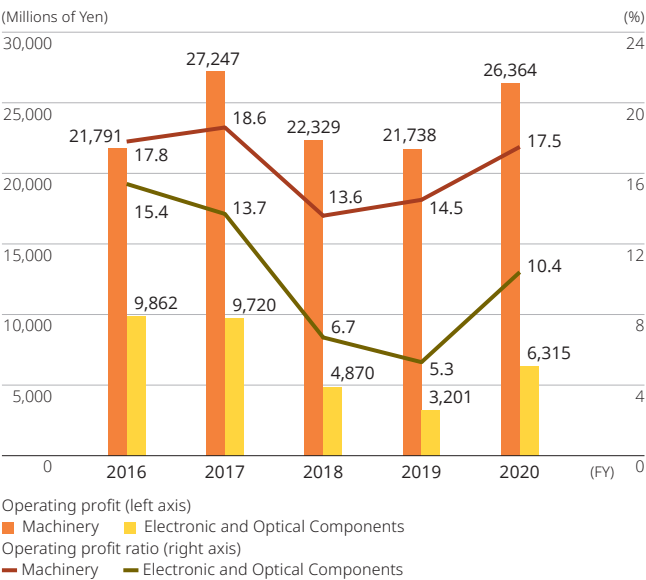
Toward the consolidated sales targets of 4 trillion yen in Vision 2025 and 10 trillion yen for FY2030, Nidec focuses on the robot business in the Machinery segment. Nidec-Shimpo Corporation, our group company, has developed and sells FLEXWAVE, a high-accuracy reduction gear for precision control. It is a joint module for robots and machine tools, expected to attract demand particularly for collaborative robots. As many countries around the world, including Japan, are predicted to shift from the “demographic bonus” to the “demographic onus” phase, the production volume of FLEXWAVE is expected to expand in response to the significant expansion of the collaborative robot market as a solution to labor shortage. Nidec Machine Tool Corporation (formerly, “Mitsubishi Heavy Industries Machine Tool”) joined the Nidec Group in FY2021 and has been showing rapid recovery in profitability as a result of the post merger integration (PMI) implemented after consolidation. In the future, it is expected to contribute to in-house production of gears for the E-Axle EV traction motor system and also to expanding the machine tool business.

For the machine tool business, the purchase of a stake in OKK Corporation via private placement was resolved by the Board of Directors, and we will carry out post merger integration (PMI) to create synergetic effects.

Net sales



Operating profit / Operating profit ratio



Financial/Non-financial Data

Financial Data

	U.S. GAAP				IFRS					(FY)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
										(Millions of yen)
Net sales	682,320	709,270	875,109	1,028,385	1,178,290	1,199,311	1,459,039	1,475,436	1,534,800	1,618,064
Operating profit	73,070	17,598	84,864	110,939	117,662	139,366	165,903	129,222	108,558	159,970
Profit before income taxes	70,856	13,398	84,460	107,092	117,164	141,313	163,260	129,830	105,160	152,937
Profit attributable to owners of the parent	40,731	7,986	56,272	76,015	89,945	111,007	130,834	109,960	58,459	121,945
CAPEX	41,446	61,368	40,036	58,042	81,898	68,718	90,841	120,555	132,926	88,911
Depreciation	32,556	38,255	44,413	51,445	64,950	59,737	68,697	71,016	87,808	96,802
R&D	30,050	34,278	37,808	45,179	51,978	52,807	55,438	62,912	78,630	67,280
Total assets	800,401	1,005,417	1,166,938	1,357,340	1,376,636	1,678,997	1,773,199	1,884,008	2,122,493	2,256,024
Shareholders' equity	370,182	415,653	517,971	744,972	763,023	846,572	932,501	996,795	947,290	1,096,020
Operating cash flow	56,712	110,286	87,219	91,875	147,659	129,853	175,568	170,233	168,049	219,156
Investment cash flow	-19,918	-133,854	-63,178	-81,230	-95,377	-211,476	-113,915	-160,844	-311,513	-100,568
Free cash flow	36,794	-23,568	24,041	10,645	52,282	-81,623	61,653	9,389	-143,464	118,588
Financial cash flow	-814	61,117	13,471	-19,508	7,775	95,848	-116,858	-32,683	128,546	-136,191
Per-share information*1										(Yen)
Profit (EPS)	74.06	14.82	103.41	135.81	151.52	187.14	220.96	186.49	99.37	208.19
Dividends	22.50	21.25	25.00	35.00	40.00	42.50	47.50	52.50	57.50	60.00
Major financial indicators										(%)
Operating profit ratio	10.7	2.5	9.7	10.8	10.0	11.6	11.4	8.8	7.1	9.9
Shareholders' equity ratio	46.2	41.3	44.4	54.9	55.4	50.4	52.6	52.9	44.6	48.6

*1 Adjusted based on the 2-for-1 split implemented as of April 1, 2014 and April 1, 2020. EPS and Dividends are expressed assuming that the stock split occurred at the beginning of FY2011.
*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					
					(FY)
					2020
Environmental performance index*1					
Total energy input	Total (Gj)	11,945,040	12,623,308	12,932,079	12,963,913
	Electric power (million kWh)	1,122	1,171	1,220	1,242
	Gas (t)	14,710	14,396	17,242	13,179
	Fuel (thousand kl)	16.8	18.8	8.1	8.6
		9,607	9,499	8,396	8,307
Total water usage (thousand m³)		9,607	9,499	8,396	8,307
Water intake breakdown	Rainwater (thousand m³)	11	11	16	15
	Industrial water (thousand m³)	4,382	4,122	3,417	3,595
	Potable water (thousand m³)	3,997	3,999	3,606	3,351
	Groundwater (thousand m³)	974	1,170	1,186	1,103
	Surface water (thousand m³)	4	6	8	0
Greenhouse gas emissions	Total (thousand t-CO₂)	2,854	4,285	3,365	2,934
	Scope 1 (thousand t-CO₂)	88	92	73	62
	Scope 2 (thousand t-CO₂)	591	612	593	577
	Scope 3 (thousand t-CO₂)	2,176	3,582	2,700	2,295
		84,650	97,149	97,618	100,546
Total waste discharged (t)		84,650	97,149	97,618	100,546
	Specially controlled industrial waste (hazardous waste) discharged (t)	4,058	5,400	8,384	9,691
Recycled waste (t)		79,621	91,743	89,024	90,910
Final disposal of waste (t)		5,029	5,405	8,052	9,636
Recycled waste rate (%)		94.1	94.4	91.2	90.4
Environment conservation cost (million yen)*2		226	466	313	254
Environmental education sessions held (times)*3		9	9	8	11

S/ Society					
					(FY)
					2020
CSR audits conducted by business partner(s) (times)*4					
Employees (persons) (consolidated)		107,062	107,554	108,906	117,206
Ratio of female employees (%) (consolidated)*5		—	—	—	50.6
Ratio of female managers and officers*6 (%) (consolidated)*5		—	—	—	25.9
Rate of industrial accidents involving lost working time (consolidated)*7		—	—	—	0.78
Employees (persons) (non-consolidated)		2,392	2,576	2,794	2,756
Ratio of female employees (%) (non-consolidated)		17.3	17.4	19.7	20.4
Number of female managers (non-consolidated)		19	21	32	34
Ratio of female managers (%) (non-consolidated)		2.8	3.2	5.0	5.5
Number of female officers (non-consolidated)		2	2	1	1
Ratio of female officers (%) (non-consolidated)		4.9	4.6	2.4	2.4
Rate of persons with disabilities employed (%) (non-consolidated)		2.02	1.89	1.98	2.19
Employee training (hours) (non-consolidated)		111,692	112,287	119,676	110,077
	Employee training hours per person (hours)	46.7	43.6	42.8	39.9
Average monthly overtime hours (hours) (non-consolidated)		14.0	15.3	16.2	16.3
Percentage of annual paid leave taken (%) (non-consolidated)		61.3	61.4	61.3	64.5
Rate of industrial accidents involving lost working time*7 (non-consolidated)		0.0	0.0	0.4	0.4
Number of employees who have taken maternity leave (non-consolidated)		29	26	41	30
Number of employees who have taken childcare leave (non-consolidated)		34	22	40	41
Male employees (persons)		2	1	2	7
		1.8	1.0	1.9	8.0
Percentage of male employees who have taken childcare leave (%) (non-consolidated)		96.3	97.8	89.3	90.0
Return rate after taking childcare leave (%) (non-consolidated)		68	91	112	102
Number of employees using the short-time work system (non-consolidated)					

G/ Governance					
					(FY)
					2020
Directors (persons)					
Directors who are also Executive Officers (persons)		7	9	8	8
Outside Directors (persons)		4	6	5	5
Ratio of Outside Directors (%)		2	2	2	2
Female Directors (persons)		28.6	22.2	25.0	25.0
Ratio of female Directors (%)		1	1	0	0
Age of the youngest Director		14.3	11.1	0.0	0.0
Age of the oldest Director		58	50	51	52
Average age of Directors		72	73	77	78
		65	64	65	66

*1 Business sites covered by the Medium-term Environmental Conservation Plan: 88 companies
*2 Nidec business sites in Japan and 10 companies overseas
*3 Nidec Head Office
*4 Eight companies overseas
*5 Calculation of consolidated data began from FY2019. Survey conducted on 87.9% of all consolidated employees.
*6 Managers of department manager level or higher, and executive officers. Directors or Audit & Supervisory Board Members who concurrently serve as executive officers, if any, are included among executive officers.
*7 Calculation of consolidated data began from FY2019. Number of deaths and injuries per 1 million hours worked in total.



ESG Data List
https://www.nidec.com/en/sustainability/principle/esg-list/

Group Companies

Company name	Business activities
Nidec Sankyo Corporation https://www.nidec.com/jp/nidec-sankyo/	Development, manufacture and sales of motors, motor drive units, card readers, industrial robots, plastic mold parts, music boxes, etc.
Nidec Techno Motor Corporation https://www.nidec.com/jp/nidec-technomotor/	Development, manufacture and sales of small and medium-sized motors for HVAC, home appliances and industrial machinery, electric tools, motor-based equipment and others
Nidec-Shimpo Corporation https://www.nidec.com/jp/nidec-shimpo/	Development, manufacture and sales of reduction gears, forge rolling machines, precision-pressed products, and other machines and equipment; development and manufacture of continuously variable transmissions, craftwork devices; development and manufacture of various measuring instruments; and sales of their related applied technologies and engineering maintenance
Nidec Tosok Corporation https://www.nidec.com/jp/nidec-tosok/	Development, manufacture and sales of automobile parts and measuring instruments
Nidec Mobility Corporation https://www.nidec.com/jp/nidec-mobility/	Marketing, development, manufacture and sales of automotive electric components
Nidec-Read Corporation https://www.nidec.com/jp/nidec-read/	Development, manufacture and sales of inspection systems for semiconductor packages and printed circuit boards, optical inspection systems, FPD inspection systems, and other automatic measurement and control systems and inspection tools
Nidec Copal Electronics Corp. https://www.nidec-copal-electronics.com/j/	Development, manufacture and sales of electronic circuit parts, pressure sensors, actuators, potentiometers, and encoders
Nidec Copal Corporation https://www.nidec.com/jp/nidec-copal/	Development, manufacture and sales of optical devices, electronic devices, precision parts and dies, image devices, FA and industrial devices
Nidec Servo Corporation https://www.nidec.com/jp/nidec-servo/	Development, manufacture and sales of motors (brushless, stepping, fan, blower), sensors and motor-applied products
Nidec Elesys Corporation https://www.nidec.com/jp/nidec-elesys/	Development, manufacture and sales of automobile electronic control units for vehicle bodies
Nidec Global Service Corporation https://www.nidec.com/jp/nidec-globalservice/	Various insurance agency operations, real estate rental and management, sales of various goods, operation of company stores, loan/lease business, staffing agencies, hotel business, beverage sales, etc.
Nidec Machinery Corporation https://www.nidec.com/jp/nidec-machinery/	Design, manufacture, sales and technical support of various automatic machines, FA equipment, measuring and testing equipment
Nidec Machine Tool Corporation https://www.nidec.com/jp/nidec-machinetool/	Design, manufacture and sales of machine tools, cutting tools and their related products, and consulting
Nidec Motors & Actuators (Germany) GmbH https://www.nidec-ma.com/en/	Development, manufacture and sales of automotive motors (for engine cooling, ABS, steering column adjustment, seat adjustment, power windows, air suspension compressors, sunroof, and trunk opening and closing)
Nidec GPM GmbH https://www.nidec.com/jp/corporate/network/group/nidec-gpm/	Development, manufacture and sales of water pumps, oil pumps, and automot-ive modules
Nidec Motor Corporation https://www.nidec.com/jp/corporate/network/group/nidec-motor/	Development, manufacture and sales of industrial, commercial and appliance motors, and control equipment
Nidec Global Appliance Europe SRL https://www.nidec.com/jp/corporate/network/group/nidec-global-appliance-europe/	Manufacture and sales of motors for home appliances (washing machines, dryer machines and dishwashers)
Nidec ASI S.p.A. https://www.nidec.com/jp/corporate/network/group/nidec-asi/	Development, manufacture and sales of medium- to large-sized industrial motors, power generators, and low- to medium-voltage drives; development of industrial systems and automation systems in the metal and power generation (regenerated energy) fields
Nidec Leroy-Somer Holding https://www.nidec.com/jp/corporate/network/group/nidec-leroysomer/	Development, manufacture and sales of alternators, motors, variable speed drives, and automation solutions for industry
Nidec Control Techniques Limited https://www.nidec.com/jp/corporate/network/group/nidec-controltechniques/	Development, manufacture and sales of AC and DC variable speed drives, servos and power conversion technologies for commercial and industrial applications
Nidec Global Appliance Compressores e Soluções em Refrigeração Ltda. https://www.nidec.com/jp/corporate/network/group/nidec-globalappliance-compressors/	Manufacture and sales of compressors for commercial and domestic refrigerators
CHAUN-CHOUNG TECHNOLOGY CORP. http://www.ccic.com.tw/index.php	Development, manufacture and sales of thermal management devices

Company Profile

(As of March 31, 2021)

Trade name	NIDEC CORPORATION
Founded	July 23, 1973
Location of Head Office	338 Kuzetonoshiro-cho, Minami-ku, Kyoto
Capital	JPY 87,784 million
Fiscal year end	March 31
Employees	Nidec Corporation: 2,568 Consolidated: 112,551
Business sites in Japan	Head Office, Tokyo Office, Central Technical Laboratory, Shiga Technical Center, Nagano Technical Center, Nidec Research and Development Center, and Nidec Center for Industrial Science
Corporate website	https://www.nidec.com/en/

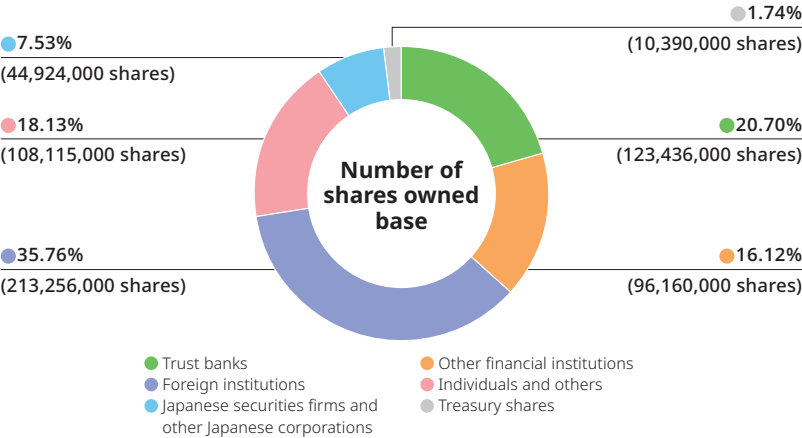
Stock Information

(As of March 31, 2021)

Share status

Number of shares outstanding	596,284,468
Number of shareholders	100,586

Shareholder mix



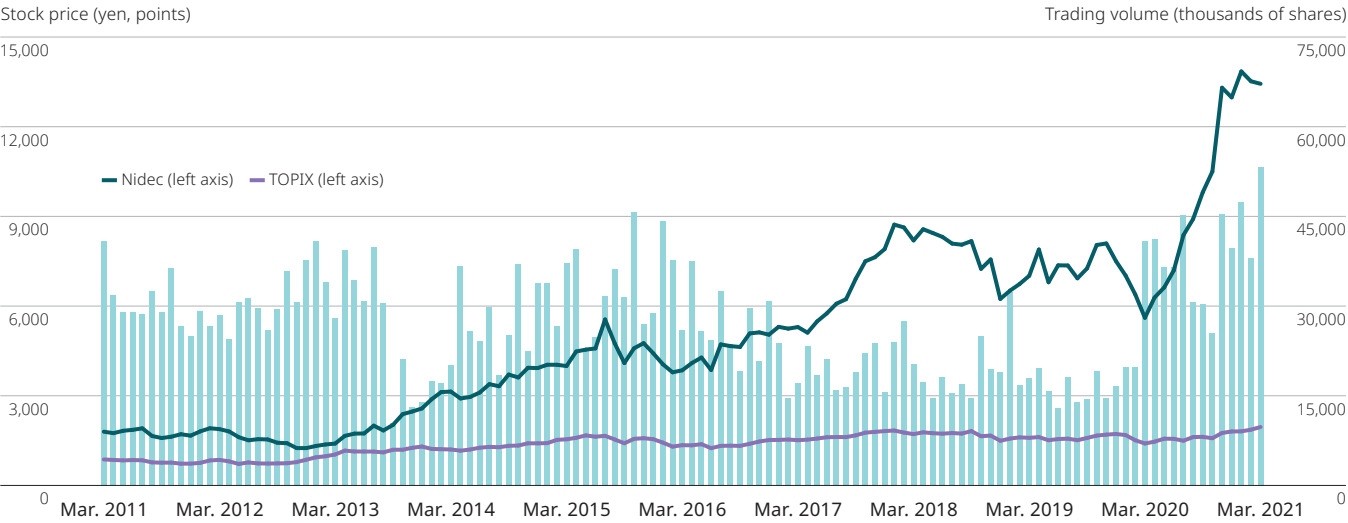
* Figures less than one thousand in the number of shares owned are rounded off.

Principal shareholders

Name	Number of shares owned (thousands)	Holding ratio (%)
Shigenobu Nagamori	49,473	8.29
The Master Trust Bank of Japan, Ltd. (trust account)	41,282	6.92
Custody Bank of Japan, Ltd. (trust account)	24,817	4.16
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	24,798	4.15
S.N. Kosan, LLC.	20,245	3.39
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	18,877	3.16
THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	15,534	2.60
MUFG Bank, Ltd.	14,851	2.49
JP MORGAN CHASE BANK 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	13,709	2.29
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	13,159	2.20

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

Changes in stock price 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 at the beginning of 2011.
*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.

External Evaluation

(As of March 31, 2021)

Inclusion in ESG indexes

FTSE4Good Index Series

Since 2018, Nidec has been included in the FTS-E4Good Index Series, designed to measure the performance of companies demonstrating excellent environmental, social and governance (ESG) practices.



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 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 gender-related diversity (women's active participation in the work-force) in each industry.



* 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.

Rating information

Rating agency	Announced	Target	Rating
Japan Credit Rating Agency, Ltd. (JCR)	October 2020	Issuer	AA-
Rating and Investment Information, Inc. (R&I)	September 2020	Issuer	AA-
Moody's	February 2021	Issuer	A3

Awards and commendations

Nadeshiko Brand

Nidec was selected as a Nadeshiko Brand in FY2018 and a Semi-Nadeshiko Brand in FY2020 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 2020 Silver Award

Nidec received a Silver Award in the overall "Gomez IR Site Ranking 2020" published by Morningstar Japan K.K. In the electrical equipment industry ranking, Nidec was ranked 20th.

Daiwa IR Internet IR Commendation Award 2017

Nidec received the Commendation Award in the "Internet IR Award 2017" by Daiwa Investor Relations Co., Ltd.

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 FY2020.

Award for Excellence in Corporate Disclosure

In 2020, Nidec was ranked sixth in the Electric/Precision section in 2020 Awards for Excellence in Corporate Disclosure, sponsored by the Securities Analysts Association of Japan.