



## FOR IMMEDIATE RELEASE

**Nidec Corporation**  
Tokyo Stock Exchange code: 6594

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Released on November 14, 2025, in Kyoto, Japan

### **Notice Regarding Nidec's Policy for Developing the Improvement Plan**

As explained in the press release dated October 28, 2025, "Notice Regarding Designation of Security on Special Alert by Tokyo Stock Exchange," the shares of Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the "Company" or "we") were designated as Security on Special Alert, effective as of October 28, 2025, by Tokyo Stock Exchange, Inc., which deemed our internal management system, etc. to be in high need of improvement. Based on this decision, Tokyo Stock Exchange, Inc. will assess the Company's internal management system, etc.

To have this special-alert designation lifted, the Company will develop an improvement plan to address issues with its internal management system, etc., and has decided, as follows, a policy on how to develop and submit its improvement plan.

#### **1. Policy on how to develop and submit an improvement plan.**

As announced in the press release dated September 3, 2025, "Notice Regarding Establishment of Third-Party Committee," suspected improper accounting practices involving or recognized by the management of the Company or one of its group companies were found, and these practices, including arbitrarily adjusting the timing of write-downs of certain assets with risk in terms of their asset value, may impose a material impact on the Company's overall consolidated financial statements. Thus, the Company determined that it would need to launch an objective investigation by an independent third-party committee, and established such a committee on September 3, 2025 in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations. The Company commissioned to the third-party committee: fact-finding investigations into suspected improper accounting practices; calculation of the amount of impact if improper accounting is found; root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; and other matters deemed necessary by the third-party committee.

In addition, actions, including making requests to an outside expert, are ongoing regarding, among others, the matter involving a trade-related issue with NIDEC FIR INTERNATIONAL S.R.L. (located in Italy; hereinafter "FIR"), which is a consolidated subsidiary of the Company under its Appliance and Automotive Division's Appliance, Commercial & Industrial Motor Business Unit; and another matter in which Nidec Elesys Corporation (currently, the Inverter Business Division of Nidec Corporation's Automotive Motor & Electronic Control Business Unit) allegedly declared to the customs, without just cause, a lower-than-proper price for the gratuitous transaction of its used products when exporting them to China in past fiscal years.

As announced in the press release dated September 26, 2025, "Important Notice Regarding Annual Securities Reports, etc." and other information, even after the three-month extension to submit its securities report for the fiscal year that ended March 31, 2025, the Company remains unable to disclose its proper earnings considering possibilities including the possibility of the correction of past fiscal years' earnings, leading to the Company's audit report on the consolidated financial statement with a disclaimer of opinion. Further, as announced in the press release dated September 26, 2025, "Important Notice Regarding Annual Securities Reports, etc.," the Company has been repeatedly subject to investigation since May 2025, and we

are still unable to provide a forecast on the recovery of our closing schedule to its normal state.

In addition, as announced in the press release dated September 26, 2025, “Notice Regarding Material Weakness about Internal Control over Financial Reporting and Disclaimer of Evaluation Results in Internal Control Report,” with respect to FIR’s trade-related issue, the company recognizes material inadequacies with its company-wide internal control (information and communication), and its internal control over accounting closing and reporting processes, that should be disclosed.

Amid the aforementioned circumstances, the Company and its group companies will remain committed to designing and strengthening its governance and internal management systems, and the entire Nidec Group will cooperate with the third-party committee’s investigation and the investigations by outside experts conducted as part of internal investigations, to look into relevant facts and the causes of problems. In addition, as part of the third-party committee’s investigation, to disclose correct earnings, the Company will gather information via voluntary inspection and under the management and supervision of the third-party committee, and work with it in collaboration.

Going forward, upon receiving the third-party committee’s investigation report, the Company will accept with sincerity the report on relevant facts and the root causes of the investigated matter and the suggestions on the recurrence prevention measures, to prepare effective recurrence prevention measures. In addition, as announced in the press release dated November 4, 2025, “Dear Valued Business Partners,” the Company, in parallel to the third-party committee’s investigation, has established the Nidec Corporate Reform Committee to prepare and implement recurrence prevention measures in the areas including “reforming our corporate and organizational cultures,” “reforming the human resources system,” “human resources development,” and “building procedures, regulations, and systems without arbitrariness,” starting from matters identified in internal investigations, etc. Further, the Company will strengthen its system of disclosing information, as necessary and properly, to its shareholders and investors.

Due to the special-alert designation, based on the following process and schedule, we will develop and submit the improvement plan that includes effective recurrence prevention measures. While the Company prepares its recurrence prevention measures amid the third-party committee’s investigation, we will share the Nidec Corporate Reform Committee’s improvement plan with the third-party committee as necessary. In addition, after receiving the third-party committee’s investigation report, the Company will review and revise the recurrence prevention measures based on the Committee’s investigation report, etc.

Process	Schedule
1 Announce a policy for developing the improvement plan.	Nov. 14, 2025
2 Prepare and implement recurrence prevention measures for the special-alert designation.	Nov. – early Dec. 2025 (partially implemented)
3 Discuss an improvement plan for the special-alert designation, and make a draft of the plan.	Nov. – early Dec. 2025 (partially implemented)
4 Submit drafts of the improvement plan and the status report to the Japan Exchange Regulation.	Mid-Dec. 2025 (plan)
5 Disclose the improvement plan and the status report.	Late Jan. 2026 (plan)

## 2. Already implemented improvement actions, etc.

As explained above, after the occurrence of FIR’s trade-related issue, the Company recognized material inadequacy that should be disclosed regarding our company-wide internal control (information and communication) and its internal control over accounting closing and reporting processes. As the Company works on details of its policy on the recurrence prevention measures and other matters announced on September 26, 2025, the following actions have been implemented as of today

- (1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority.
  - (i) Sending a clear message from the Company’s Board of Directors to Nidec Group employees
    - Never overlook or leave unsolved any actual or possible compliance violation.
    - If any such violation is identified, report it to Legal & Compliance Department immediately, and make it a top priority to stop the violation.
    - Then, implement appropriate actions such as investigating relevant facts and launching recurrence prevention measures.
  - (ii) Clear messages by the Company’s Representative Director and President to executives around the world

- In business, make it the top priority to thoroughly spread the corporate culture of making regulatory compliance the top priority.
- Ensure that all executives and other employees of the company act proactively, based on high ethical standards and integrity.
- (iii) Strengthening our Legal & Compliance Department's functions and authorities
  - To address whistle-blowing and investigations, newly assign an in-house attorney to the Legal & Compliance Department to establish a system to address cases utilizing legal and compliance expertise.
- (2) Strengthening organizations and systems
  - (i) Strengthening our global governance system
    - Establish an office of CLO (Chief Legal Officer), and appoint an individual with expertise and experience to the position, while assigning a legal compliance expert to be in charge of the Nidec Group's North American business bases.

### **3. Future outlook**

The Company will, as described above, develop its improvement plan and recurrence prevention measures, and launch improvement actions. We will promptly disclose any change to or delay in the aforementioned schedule.

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