FOR IMMEDIATE RELEASE

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Released on October 30, 2026 in Kyoto, Japan

Notice Regarding the Status of the Development and Operation of the Internal Management System

On October 28, 2025, the Company's shares were designated by the Tokyo Stock Exchange as Security on Special Alert. As one year has passed since this designation, we would like to inform you of the status of the development and operation of the Company's internal management system as shown in the attachment.

In addition, the Company today submitted a Written Confirmation of Internal Management System, as stipulated in the Securities Listing Regulations, to the Tokyo Stock Exchange. Going forward, the Tokyo Stock Exchange will conduct an examination based on the contents of this written confirmation, and if it is deemed that the internal management system, etc., is properly established and implemented, the designation of Security on Special Alert will be lifted.

Until now, based on the Revised Improvement Plan and the Status Report published in the "Notice Regarding Disclosure of the Revised Improvement Plan and the Status Report" dated April 27, 2026 (hereinafter referred to as the "Revised Improvement Plan and the Status Report"), the Company has been working to reform its corporate culture, systems, and processes. As we move forward with these reforms, our management team continues to engage in dialogue with employees and listen sincerely to their voices as we work to build a relationship of trust with them. As a result, we have been fostering an organizational culture in which employees can speak up about their

concerns and issues in a straightforward manner. At the same time, we have been instilling in each and every employee the value of “always doing the right thing.” In addition, we have begun to establish the attitude of thinking and acting on our own, and of always seeking the right way through active discussion and mutual confirmation, and positive changes are steadily emerging.

In addition, we are sincerely addressing each and every issue that has come to light through initiatives strengthening the internal management system and fostering an organizational culture in which employees can speak up frankly, broadly gathering the wide range of problems that we have faced, and carefully examining and investigating them before making every effort to advance necessary corrective measures and recurrence prevention measures. As part of these efforts, the opinions of our employees led to a supplementary investigation, which was triggered by the nonpayment of customs duties as described in the Revised Improvement Plan and the Status Report, as well as to an overall quality control inspection and subsequent investigation by the Investigation Committee, both of which were disclosed in the “Disclosure of Investigation Report and Nidec’s Actions in Response to It” dated September 4, 2026. However, since reforming an organizational culture cannot be accomplished in a short period of time, we will ensure that these changes are not merely temporary and will continue to steadily reform our corporate culture so that these changes take root.

We deeply regret the inconvenience and concern we have caused to our shareholders, investors, and other related parties. We will face all stakeholders sincerely and transform ourselves into a company that places top priority on being “right” in high ethical standards. We will continue to steadily reform our corporate culture, systems, and processes through the combined efforts of our executives and employees, and we ask for your continued support.

Status of the Development and Operation of the Internal Management System

NIDEC Corporation

October 30, 2026

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I. Background, etc. of special-alert designation

1. Overview of the Issue

(1) How the problem came to light

(i) Discovery of the FIR Issue

A trade-related issue and customs issue with NIDEC FIR INTERNATIONAL S.R.L. (located in Italy, hereinafter referred to as "FIR"), one of the Company's consolidated subsidiaries, under the control of its Appliance and Automotive Division's Appliance, Commercial & Industrial Motors Business Unit, are as described Section 2.1.(1) of the Revised Improvement Plan and the Status Report.

(ii) Discovery of the Techno Issue

The background to the discovery of the Techno Issue and the investigation method are described in Section 2.1.(2) of the Revised Improvement Plan and the Status Report.

(iii) Establishment of a third-party committee

As described in Section 2.1.(3) of the Revised Improvement Plan and the Status Report.

(iv) Material weakness about internal control over financial reporting

The Internal Control Audit Report for the fiscal year ended March 2025 is as described in Section 2.2 of the Revised Improvement Plan and the Status Report. As disclosed in the "Notice Regarding Material Weaknesses in Internal Control over Financial Reporting and Disclaimer of Opinion in the Internal Control Audit Report" dated September 30, 2026, in relation to the Internal Control Audit Report for the fiscal year ended March 2026, the Company has been conducting evaluations to determine appropriate personnel-related remedial measures and implementing such measures with respect to officers and employees

involved in improper accounting practices and other related matters; however, some of these personnel-related remedial measures has not yet been completed. As a result, there remains a possibility that the incomplete personnel-related remedial measures could have a material and pervasive impact on entity-level internal controls, and the Company was therefore unable to evaluate their impact on the entity-level internal controls of the Company and its Group companies. Consequently, the Company determined that it was unable to express an evaluation conclusion on the effectiveness of internal control over financial reporting for the fiscal year ended March 31, 2026.

As of the date of this submission, the Company has not yet completed its response to the requests from the external accounting auditor regarding the assessment of officers and employees involved in inappropriate accounting practices and other misconduct, or the implementation of personnel-related remedial measures. The external accounting auditor has also not yet completed its audit procedures and other related procedures. The Company will continue to assess the officers and employees involved in accounting misconduct and implement the outstanding personnel-related remedial measures, in consultation with the external accounting auditor.

With respect to these material weaknesses that should be disclosed as described in the "Notice Regarding Material Weaknesses in Internal Control over Financial Reporting and Disclaimer of Opinion in the Internal Control Audit Report," disclosed on September 30, 2026, the Company has implemented all measures aimed at remediating such material weaknesses. By continuing to operate these measures through March 2027, the Company will work to remediate the material weaknesses in connection with its assessment of internal control for the fiscal year ending March 31, 2027.

(2) Disclaimer of audit opinion and review conclusion

The auditor's opinion on the consolidated financial statements in the securities report for the fiscal year ended March 31, 2025, the interim review report on the condensed quarterly

consolidated financial statements for the three months ended June 30, 2025, and the interim review report on the condensed semi-annual consolidated financial statements for the six months ended September 30, 2025 are as described in Section 2.3 of the Revised Improvement Plan and the Status Report.

As disclosed in the “Notice Concerning Disclaimer of Opinion in Independent Auditor's Report for the Securities Report, Disclaimer of Review Conclusion for the Third Quarter Financial Results, and Disclaimer of Opinion in Internal Control Audit Report for the Fiscal Year Ended March 31, 2026” dated September 30, 2026, the Company received an audit report containing a disclaimer of opinion on the consolidated financial statements and the non-consolidated financial statements in the securities report for the fiscal year ended March 31, 2026, and the interim review report containing a disclaimer of conclusion on the condensed quarterly consolidated financial statements for the nine months ended December 31, 2025. The content of the disclaimer of opinion pointed out in the audit report is as follows.

<Disclaimer of Opinion>

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the consolidated financial statements of NIDEC CORPORATION (the “Company”) and its consolidated subsidiaries (collectively referred to as the “Group”) included in the “Financial Information” section, which comprise the consolidated statement of financial position, consolidated statements of income and comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements for the consolidated fiscal year from April 1, 2025 to March 31, 2026. Given the significance of the potential effects of the matters described in the “Basis for Disclaimer of Opinion” on the consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. Accordingly, we do not express an audit opinion on these consolidated financial statements.

<Basis for Disclaimer of Opinion>

Corporate Governance

As described in the Notes to the Consolidated Financial Statements, “Status of the Company’s Remediation Measures Relating to Corporate Governance” and Note 43, Additional Information, “Improper Accounting Practices and Other Related Matters,” section “(1) Investigations by the Third-Party Committee,” the Company established a Third-Party Committee on September 3, 2025, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17, 2026. The investigation reports describe numerous instances of improper accounting practices carried out at various operating bases within the Company and its group companies with the involvement or knowledge of management, including premature revenue recognition, understatement of provisions, overstatement of inventories, avoidance of impairment losses on fixed assets, and capitalization of expenses. The reports further identified instances in which management or accounting personnel of the Company and its group companies provided inaccurate or misleading information to the independent auditor, concealed relevant documents, or provided altered records in order to obtain the independent auditor’s concurrence. The improper accounting practices identified by the Third-Party Committee have been corrected in the consolidated financial statements.

In addition, as described in section “(2) Internal Investigation regarding Potential Quality Issues,” the Company completed an investigation regarding potential quality issues and identified falsification of testing and inspection records and unauthorized use of non-conforming materials at multiple production bases. Furthermore, as described in section “(3) Other Internal Investigation,” the Company completed its investigation into matters relating to trade transactions and tariffs and identified underpaid tariffs associated with import transactions amounting to USD 94.1 million (approximately ¥14,160 million), including interest. Related costs, liabilities and disclosures have been reflected in the consolidated financial statements.

However, as described in the Notes to the Consolidated Financial Statements, “Status of the Company’s Remediation Measures Relating to Corporate Governance,” the Company has identified certain officers and employees of the Company and its group companies who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, and is evaluating and taking remedial personnel actions to determine appropriate measures; however, some of those actions have not been completed. As a result, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor,

continue to hold positions of responsibility within the financial reporting process of the Company and its group companies.

The matters identified in the Third-Party Committee's reports indicate that material weaknesses existed in the control environment over an extended period and raise substantial concerns regarding whether the Company's governance and control environment relating to financial reporting is operating effectively, including whether the risk of management override of controls has been sufficiently mitigated. This condition also affects the reliability of records, documents and information submitted to the independent auditor by, or prepared, responded to, or reviewed by, individuals involved in the improper accounting practices, as well as the reliability of management representations provided to the independent auditor.

During the course of our audit, we concluded that information obtained from officers and employees involved in these improper accounting practices had a significant effect on the reliability of management representations as audit evidence and on the persuasiveness of the audit evidence as a whole. Because some remedial personnel actions had not been completed as of the date the consolidated financial statements were prepared and individuals involved in the improper accounting practices continue to participate in the financial reporting process, we were unable to obtain sufficient appropriate audit evidence as to whether the improper accounting practices corrected or determined by the Company to require correction were complete, or whether undetected misstatements arising from the risk of management override existed as a result of those individuals' involvement in the financial reporting process and, if so, the nature, extent and effects thereof.

Accordingly, as described in the Notes to the Consolidated Financial Statements, "Status of the Company's Remediation Measures Relating to Corporate Governance," although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for individuals involved in the improper accounting practices, some of those remedial personnel actions have not been completed, and it has not been sufficiently demonstrated that successor personnel have assumed responsibility for financial reporting and are appropriately performing their responsibilities. We therefore concluded that the possible effects of any undetected misstatements on the consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

Impairment

As described in Note 16, “Impairment of Non-Financial Assets,” the Company groups assets based on the smallest identifiable group of assets that generates cash inflows that are largely independent (a cash-generating unit). Goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, and impairment losses are measured based on estimated future cash flows and other assumptions. As a result, the Company recognized impairment losses of ¥632,220 million during the current fiscal year. However, as of the date of this report, we have not obtained sufficient appropriate audit evidence regarding the reasonableness of the accounting estimates relating to the amount and period allocation of impairment losses for certain cash-generating units or groups of cash-generating units.

IAS 36, Impairment of Assets, requires future cash flow projections to be based on reasonable and supportable assumptions. However, as described under “Corporate Governance,” information obtained from individuals who may have been involved in the improper accounting practices has a significant effect on the persuasiveness of audit evidence relating to impairment of assets submitted to us and on the reliability of management representations.

In addition, the Company has restated the comparative information because the opening balances of non-financial assets of certain cash-generating units or groups of cash-generating units had been overstated in light of the improper accounting practices. Under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, a prior-period restatement must be based on information that was available when the original consolidated financial statements were authorized for issue, without using facts or outcomes identified subsequently. Specifically, revised cash flow projections and significant assumptions included in the underlying business plans are required to reflect information available at the relevant dates and not information or assumptions developed subsequently. Because we did not obtain sufficient necessary explanations from the Company as to whether prior-period corrections were based on information available at the relevant dates without using hindsight, we were unable to obtain sufficient appropriate audit evidence supporting that the restatement had been measured based on information available at those dates.

Accordingly, we were unable to determine whether the impairment losses recognized

by the Company complied with the requirements of IAS 36 and IAS 8.

Comparative Information

The Company received the investigation reports from the Third-Party Committee, considered the improper accounting practices based on those reports, completed its own investigation and the investigation relating to trade transactions and tariffs, and restated the comparative information based on the results. However, for the reasons described under “Corporate Governance” and “Impairment,” because individuals involved in the improper accounting practices continue to hold positions of responsibility within the financial reporting process of the Company and its group companies, we were unable to determine the appropriateness and completeness of the restated amounts and disclosures included in the consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025, which are presented as comparative information.

We were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. In addition, we concluded that the possible effects on the consolidated financial statements of potentially required additional adjustments described under “Corporate Governance,” the amount and period allocation of impairment losses described under “Impairment,” and the disclosures relating to comparative information described under “Comparative Information” could be material and pervasive. If undetected misstatements exist, their possible effects would not be confined to specific line items or disclosures and could be material and pervasive to the consolidated financial statements as a whole. Accordingly, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

Other Matter

As a result of the investigations conducted by the Third-Party Committee and other investigations, the Company has adjusted opening retained earnings in the comparative information. However, the Company has not corrected the consolidated financial statements included in the Annual Securities Reports for fiscal years up to and including the consolidated fiscal year from April 1, 2024 to March 31, 2025.

In addition, the content of the audit report concerning the non-consolidated financial statements for the fiscal year ended March 31, 2026, is as follows.

<Disclaimer of Opinion>

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the non-consolidated financial statements of NIDEC CORPORATION (the "Company") and its consolidated subsidiaries (collectively referred to as the "Group") included in the "Financial Information" section, which comprise the balance sheets, statements of profit or loss, statements of changes in shareholders' equity, significant accounting policies, other notes and supplementary schedules for the business year from April 1, 2025 to March 31, 2026.

Given the significance of the potential effects of the matters described in the "Basis for Disclaimer of Opinion" on the non-consolidated financial statements, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the non-consolidated financial statements. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

<Basis for Disclaimer of Opinion>

Corporate Governance

As described in "Corporate Governance" in the Basis for Disclaimer of Opinion in the audit report on the consolidated financial statements, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies. We were unable to obtain sufficient appropriate audit evidence as to whether the improper accounting practices corrected or determined by the Company to require correction were complete, or whether undetected misstatements arising from the risk of management override existed as a result of those individuals' involvement in the financial reporting process and, if so, the nature, extent and effects thereof. We therefore concluded that the possible effects of any undetected misstatements on the non-consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. As a result, we were unable to determine whether any adjustments to the non-consolidated financial statements were necessary.

As described in Notes to valuation of non-marketable shares of subsidiaries and associates and investments in subsidiaries and associates and provision for loss on businesses of subsidiaries and associates (Notes on significant accounting estimates), the Company compares the acquisition price of non-marketable shares of and investments in subsidiaries and associates with the actual value based on the net asset amount of each company. If the actual value declines by more than 50% of the acquisition cost, the Company recognizes impairment loss up to the actual value. With respect to shares of subsidiaries and associates for which excess earning power is reflected in the acquisition price, the existence of damage to excess earning power is assessed by comparing the business plan at the time of purchase with the actual results and the latest business plan, and the actual value is calculated. In the current business year, the Company recorded a loss on valuation of shares of subsidiaries and associates of 183,543 million yen and a loss on valuation of investments in subsidiaries and associates of 2,223 million yen. In addition, as stated in the Notes, the Company has estimated the amount of loss to be borne by the Company in consideration of the financial position of the affiliated companies and has recorded provisions for loss on businesses of subsidiaries and associates of 28,397 million yen for the fiscal year under review. However, as of the date of this report, we have not obtained sufficient appropriate audit evidence regarding the impairment of assets in the consolidated financial statements relating to certain cash-generating units or groups of cash-generating units in the consolidated financial statements. Therefore, we have not obtained sufficient appropriate audit evidence regarding the reasonableness of the accounting estimates applied in the calculation of the amount and period allocation of loss on valuation of shares of subsidiaries and associates, loss on valuation of investments in subsidiaries and associates, provision for loss on businesses of subsidiaries and associates.

However, as described in “Corporate Governance,” this has had a material impact on the credibility of the audit evidence and the reliability of the management's statements relating to the recorded amounts of loss on valuation of shares of subsidiaries and associates, loss on valuation of investments in subsidiaries and associates, and provision for loss on businesses of subsidiaries and associates, which were submitted to us by officers and employees who may have been involved in the improper accounting practices.

Accordingly, we were unable to determine the appropriateness of the amount and

period allocation of loss on valuation of shares of subsidiaries and associates, loss on valuation of investments in subsidiaries and associates, provision for loss on businesses of subsidiaries and associates, which were recorded by the Company.

Comparative Information

The Company received the investigation reports from the Third-Party Committee, considered the improper accounting practices based on those reports, and restated the comparative information based on the results. However, for the reasons described under "Corporate Governance" and "valuation of non-marketable shares of subsidiaries and associates and investments in subsidiaries and associates and provision for loss on businesses of subsidiaries and associates," because individuals involved in the improper accounting practices continue to hold positions of responsibility within the financial reporting process of the Company and its group companies, we were unable to determine the appropriateness and completeness of the restated amounts and disclosures included in the non-consolidated financial statements for the fiscal year ended March 31, 2025, which are presented as comparative information.

We were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the non-consolidated financial statements. In addition, we concluded that the possible effects on the non-consolidated financial statements of the material inadequacies of internal controls described in "Corporate Governance," the significant assumptions underlying the amounts recorded in loss on valuation of non-marketable shares of subsidiaries and associates, loss on investments in subsidiaries and associates, and provision for losses on businesses of subsidiaries and associates described in "valuation of non-marketable shares of subsidiaries and associates and investments in subsidiaries and associates and provision for loss on business of subsidiaries and associates," their period allocation, accounting treatment, and the disclosures relating to comparative information described in "Comparative Information" could be material and pervasive. If undetected misstatements exist, their possible effects would not be confined to specific line items or disclosures and could be material and pervasive. As a result, we were unable to determine whether any adjustments to the non-consolidated financial statements were necessary.

Other Matter

As a result of the investigations conducted by the Third-Party Committee and other

investigations, the Company has adjusted opening retained earnings in the comparative information. However, the Company has not corrected the non-consolidated financial statements included in the Annual Securities Reports for the business year from April 1, 2024 to March 31, 2025.

The content of the interim review report on the condensed quarterly consolidated financial statements for the nine months ended December 31, 2025, is as follows:

<Disclaimer of Opinion>

We have reviewed the condensed quarterly consolidated financial statements of NIDEC CORPORATION (the "Company") and its consolidated subsidiaries (collectively, the "Group") included in the "Attachments" to the quarterly financial results, which comprise the condensed quarterly consolidated statement of financial position, condensed quarterly consolidated statements of income and comprehensive income, condensed quarterly consolidated statement of changes in equity, condensed quarterly consolidated statement of cash flows, and notes to the condensed quarterly consolidated financial statements for the third-quarter consolidated accounting period from October 1, 2025 to December 31, 2025 and the nine-month period from April 1, 2025 to December 31, 2025 of the consolidated fiscal year from April 1, 2025 to March 31, 2026.

Given the significance of the possible effects on the condensed quarterly consolidated financial statements of the matters described in the "Basis for Disclaimer of Conclusion," we were unable to obtain sufficient appropriate evidence to provide a basis for a conclusion as to whether anything had come to our attention that caused us to believe that the condensed quarterly consolidated financial statements had not been prepared, in all material respects, in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. prescribed by the Tokyo Stock Exchange, Inc. (with the omission of disclosures permitted under Article 5, Paragraph 5 of those standards). Accordingly, we do not express a conclusion on the condensed quarterly consolidated financial statements.

<Basis for Disclaimer of Opinion>

Corporate Governance

As described in Note 7, Additional Information, "Improper Accounting Practices and Other Related Matters," to the condensed quarterly consolidated financial statements,

the Company established a Third-Party Committee on September 3, 2025, received the investigation report from the Third-Party Committee on February 27, 2026, and received the investigation report (supplement) as its final report on April 17, 2026. The investigation reports describe numerous instances of improper accounting practices carried out at various operating bases within the Company and its group companies with the involvement or knowledge of management, including premature revenue recognition, understatement of provisions, overstatement of inventories, avoidance of impairment losses on fixed assets, and capitalization of expenses. The reports further identified instances in which management or accounting personnel of the Company and its group companies provided inaccurate or misleading information to the independent auditor, concealed relevant documents, or provided altered records in order to obtain the independent auditor's concurrence. The improper accounting practices identified by the Third-Party Committee have been corrected in the condensed quarterly consolidated financial statements.

However, as described in the note "Status of the Company's Remediation Measures Relating to Corporate Governance," the Company has identified certain officers and employees of the Company and its group companies who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, and is evaluating and taking remedial personnel actions to determine appropriate measures; however, some of those actions have not been completed. As a result, certain officers and employees who participated in, directed, or had knowledge of the improper accounting practices, or who provided false explanations to the independent auditor, continue to hold positions of responsibility within the financial reporting process of the Company and its group companies.

The matters identified in the Third-Party Committee's reports indicate that material weaknesses existed in the control environment over an extended period and raise substantial concerns regarding whether the Company's governance and control environment relating to financial reporting is operating effectively, including whether the risk of management override of controls has been sufficiently mitigated. This condition also affects the reliability of records, documents and information submitted to the independent auditor by, or prepared, responded to, or reviewed by, individuals involved in the improper accounting practices, as well as the reliability of management representations provided to the independent auditor.

During the course of our interim review, we concluded that information obtained from officers and employees involved in these improper accounting practices had a

significant effect on the reliability of management representations as evidence and on the persuasiveness of the evidence as a whole. Because some remedial personnel actions had not been completed as of the date the condensed quarterly consolidated financial statements were prepared and individuals involved in the improper accounting practices continue to participate in the financial reporting process, we were unable to obtain sufficient appropriate evidence as to whether the improper accounting practices corrected or determined by the Company to require correction were complete, or whether undetected misstatements arising from the risk of management override existed as a result of those individuals' involvement in the financial reporting process and, if so, the nature, extent and effects thereof.

Accordingly, as described in the note "Status of the Company's Remediation Measures Relating to Corporate Governance," although the Company is evaluating and taking remedial personnel actions to determine appropriate measures for individuals involved in the improper accounting practices, some of those remedial personnel actions have not been completed, and it has not been sufficiently demonstrated that successor personnel have assumed responsibility for financial reporting and are appropriately performing their responsibilities. We therefore concluded that the possible effects of any undetected misstatements on the condensed quarterly consolidated financial statements would not be confined to specific line items or disclosures and could be material and pervasive. As a result, we were unable to determine whether any adjustments to the condensed quarterly consolidated financial statements were necessary.

Impairment

Under IAS 36, Impairment of Assets, an impairment loss is required to be recognized for non-financial assets presented in the condensed quarterly consolidated statement of financial position when the recoverable amount falls below the carrying amount.

The Company groups assets based on the smallest identifiable group of assets that generates cash inflows that are largely independent (a cash-generating unit). Goodwill acquired in a business combination is allocated to cash generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, and impairment losses are measured based on estimated future cash flows and other assumptions. As a result, the Company recognized impairment losses during the nine-month period. However, as of the date of this report, we have not obtained sufficient appropriate evidence regarding the reasonableness of the accounting estimates relating

to the amount and period allocation of impairment losses for certain cash-generating units or groups of cash generating units.

IAS 36, Impairment of Assets, requires future cash flow projections to be based on reasonable and supportable assumptions. However, as described under "Corporate Governance," information obtained from individuals who may have been involved in the improper accounting practices has a significant effect on the persuasiveness of evidence relating to impairment of assets submitted to us and on the reliability of management representations.

In addition, the Company has restated the comparative information because the opening balances of non-financial assets of certain cash-generating units or groups of cash-generating units had been overstated in light of the improper accounting practices. Under IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, a prior-period restatement must be based on information that was available when the original consolidated financial statements were authorized for issue, without using facts or outcomes identified subsequently. Specifically, revised cash flow projections and significant assumptions included in the underlying business plans are required to reflect information available at the relevant dates and not information or assumptions developed subsequently. Because we did not obtain sufficient necessary explanations from the Company as to whether prior-period corrections were based on information available at the relevant dates without using hindsight, we were unable to obtain sufficient appropriate evidence supporting that the restatement had been measured based on information available at those dates.

Accordingly, we were unable to determine whether the impairment losses recognized by the Company complied with the requirements of IAS 36 and IAS 8.

Comparative Information

The Company received the investigation reports from the Third-Party Committee, considered the improper accounting practices based on those reports, completed its own investigation and the investigation relating to trade transactions and tariffs, and restated the comparative information based on the results. However, for the reasons described under "Corporate Governance" and "Impairment," because individuals involved in the improper accounting practices continue to hold positions of responsibility within the financial reporting process of the Company and its group companies, we were unable to determine the appropriateness and completeness of the restated amounts and disclosures

included in the consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025 and the condensed quarterly consolidated financial statements for the third quarter of the fiscal year ended March 31, 2025, which are presented as comparative information.

We were unable to obtain evidence to provide a basis for expressing a conclusion on the condensed quarterly consolidated financial statements for the third-quarter consolidated accounting period and the nine-month period of the current consolidated fiscal year. In addition, we concluded that the possible effects on the condensed quarterly consolidated financial statements of potentially required additional adjustments described under "Corporate Governance," the amount and period allocation of impairment losses described under "Impairment," and the disclosures relating to comparative information described under "Comparative Information" could be material and pervasive. If undetected misstatements exist, their possible effects would not be confined to specific line items or disclosures and could be material and pervasive to the condensed quarterly consolidated financial statements as a whole. Accordingly, we were unable to determine whether any adjustments to the condensed quarterly consolidated financial statements were necessary.

The Company had been working to implement remedial measures to address the matters that formed the basis for the disclaimer of opinion, with the aim of submitting, by October 28, 2026, one year after the Tokyo Stock Exchange designated the Company's stock as a Security on Special Alert, the Securities Report for the fiscal year ended March 31, 2026, amendment reports to the Securities Reports for the fiscal year ended March 31, 2025 and prior fiscal years and to the Quarterly Reports, as well as the amended quarterly financial results (collectively, the "Amendment Reports, etc.").

However, as of today, although the matters that remained outstanding as of September 30, 2026 have been addressed, the Company has not yet completed its response to the requests from the external accounting auditor regarding the identification and assessment of officers and employees involved in inappropriate accounting practices and other misconduct, or the implementation of personnel-related remedial measures. The external accounting auditor has

not yet completed its audit procedures and other related procedures. Accordingly, the Company was unable to submit the Amendment Reports, etc. accompanied by the accounting auditor's report containing an audit opinion.

For further information on the status of the Company's ongoing remedial measures since September 30, 2026 to address the matters that formed the basis for the disclaimer of opinion, the status of the Nidec Group's financial closing and audit procedures, the status of discussions with the accounting auditor, and, in light of the foregoing, the outlook for the submission of the amendment report to the Securities Report for the fiscal year ended March 31, 2026, please refer to the "Notice Concerning the Status of Efforts to Resolve the Disclaimer of Opinion," dated October 28, 2026.

(3) Designation of Security on Special Alert

As described in Section 2.4 of the Revised Improvement Plan and the Status Report.

(4) Summary of third-party committee's investigation report

As described in Section 2.5 of the Revised Improvement Plan and the Status Report.

(5) Overview of improper accounting practices

As described in Section 2.6 of the Revised Improvement Plan and the Status Report.

(6) Background to the discovery of other issues and investigation results, and response and improvement measures

<Elesys Issue>

The background to the discovery of the Elesys Issue and the results of the investigation are as described in Section 2.1.(2) of the Revised Improvement Plan and the Status Report.

As described below in “ii. Improvement Measures and Status Regarding Trade Compliance,” in order to prevent the recurrence of the series of trade compliance issues, including this Issue, we are implementing Group-wide improvement measures, including strengthening the trade compliance framework, improving reporting and information-sharing mechanisms, establishing education and rules, and developing and disseminating SOPs (standard operating procedures).

In addition to these Group-wide initiatives, as measures specifically addressing this Issue, in June 2026, we conducted trade compliance training for managers in the departments involved in this Issue and personnel responsible for trade-related operations. In July 2026, in order to rectify the method and process for calculating customs declaration values that had been an issue in this case, we formulated and communicated the Guidelines for the Calculation of Customs Declaration Values and commenced operations in accordance with the Guidelines.

In addition, in July 2026, we conducted training for trade control committee members selected for the purpose of ensuring the proper implementation of trade control regulations at the responsible departments and entities, etc., and confirmed that they were being operated according to the operational procedures. We also carried out an appropriate disciplinary action in response to the Issue.

Regarding the corrective measures related to past transactions, as stated in the “Revised Improvement Plan and the Status Report,” based on the results of the investigation at that time and certain assumptions, we estimated additional tariffs of approximately 11 million yen. We are currently calculating a more precise amount in preparation for voluntary declaration and payment. Specifically, we are proceeding with the calculation of appropriate taxable value that should have been declared based on the actual status of the transactions by checking relevant documents such as invoices and purchases as well as manufacturing costs at the time for each subject import and export transaction. At present, we have not discovered any transactions that significantly deviate from the transactions assumed in the calculation of the estimated amount (approximately 11 million yen), and we do not anticipate any significant

change in the final additional tariff amount. As for the financial impact of the additional tariffs, the necessary provision (approximately 11 million yen) has already been reflected in the consolidated financial statements, and at present, we do not expect any significant additional impact on the Group's consolidated financial statements.

After determining the additional tariff amount based on the results of these checks, we plan to proceed with the necessary voluntary declaration and payment. For voluntary declaration and payment, it is necessary to consult and coordinate with the related business partners who are importers, and to take measures in accordance with the procedures under the laws and regulations of each country and region. In the future, we will organize a specific schedule according to the progress of these procedures and steadily carry out appropriate voluntary declaration and payment.

Furthermore, with regard to the internal report that led to the discovery of the Elesys Issue, issues with the internal reporting system—including insufficient interviews with the whistleblower and the failure to conduct an independent and impartial investigation—resulted in a lost opportunity for early remediation. We have addressed these issues not as matters specific to this Issue, but as Group-wide issues concerning the internal reporting system and the framework for responding to reports, and are implementing the improvement measures described below in (15) “Improvement of the Internal Reporting System” and (16) “Strengthening of the Framework for Responding to Reports.”

<Swiss Consolidated Subsidiary Issue>

The background to the discovery of the Swiss Consolidated Subsidiary Issue and the results of the investigation are as described in Section 2.1.(2) of the Revised Improvement Plan and the Status Report.

As described below in “ii. Improvement Measures and Status Regarding Trade Compliance,” in order to prevent the recurrence of the series of trade compliance issues, including this Issue,

we are implementing Group-wide improvement measures, including strengthening the trade compliance framework, establishing education and rules, and developing and disseminating SOPs (standard operating procedures).

In addition to these Group-wide initiatives, as measures specifically addressing this Issue, our consolidated subsidiary in Switzerland has obtained the necessary export licenses and made a voluntary disclosure to the Swiss authorities. In addition, in order to prevent recurrence at the subsidiary, in May 2026, training was conducted for employees in the responsible department on the importance of trade compliance and compliance with laws, regulations and internal procedures relating to export licensing. Furthermore, as a "partial additional response" described in the "Revised Improvement Plan and the Status Report," the NCJ Trade Compliance Office, the related legal department, and the respective personnel in NIDEC Swiss cooperated to clarify the necessary procedures and division of roles regarding suspension of shipments, reporting and consultation with related departments and related persons, confirmation and judgment for resumption of shipments, etc. in the event of violations or suspected violations of export control.

Specifically, procedures related to the setting and cancellation of export control holds, as well as the confirmation of export licenses and related documents prior to shipment, were organized and reflected in the operational procedures related to export control. These measures were completed in June 2026, and operations based on the revised business procedures began.

Moreover, no actions such as fines have been imposed by the authorities in relation to this matter. In addition, of the two main persons involved in this Issue, one had already left the company by the time this Issue was discovered, and the employment contract of the other was terminated for reasons attributable to the company in July 2026.

<Chinese Consolidated Subsidiary Issue>

The background to the discovery of the Chinese Consolidated Subsidiary Issue and the results of the investigation are as described in Section 2.1.(2) of the Revised Improvement Plan and the Status Report.

To strengthen the compliance system of the entire Group based on this Issue, we have implemented the improvement measure described in "(9) Enhancement of compliance education" and other sections below.

In addition to these Group-wide initiatives, as measures specifically addressing this Issue, we reviewed the management system that relied on the discretion of specific managers and changed the person in charge. Consideration was also given to the introduction of a rotation system for staff in charge in order to prevent operations becoming person-dependent. However, in China, as a rule, the consent of the employee is required to change the content of the duties stipulated in the employment contract. Therefore, we have determined that it is difficult to introduce a uniform rotation system as a company system.

For this reason, based on the local legal system and operational reality, as an alternative to the rotation system, we have strengthened information sharing and mutual confirmation by multiple people. Specifically, we are working to establish and operate a system that enables related parties other than the person in charge to understand the nature of the business and the response status by sharing e-mails with related parties in daily business communications and by using double assignments.

The China Regional Headquarters will continue to play a leading role in confirming and monitoring the operation of these initiatives, and by strengthening the transparency of operations and the function of checks and balances, we will establish a management system that does not rely on specific individuals. Furthermore, in January 2026, we conducted a compliance training program that included prohibited matters related to conflicts of interest and bribery, and we will continue to conduct similar training programs on a regular basis. The executives involved in the Chinese Consolidated Subsidiary Issue have already left their positions.

In addition, with regard to the provisions where the basis for recording was unclear, which was mentioned in the "Revised Improvement Plan and Status Report," the Company has completed corrective measures in accounting by carefully examining the content and basis for recording and reversing them as necessary.

Moreover, the payment of personal income taxes related to the underreporting has been completed, and the impact of these issues on the Company's consolidated financial statements is limited.

(7) Additional investigation of U.S.-bound export transactions other than those of FIR, etc.

We commissioned external experts to investigate whether there were any similar problems trade compliance issues outside of FIR, who identified errors in country-of-origin labeling in the Group's exports to the United States. In response, we conducted a statistical sampling review covering all transactions over the past five years at major import sites for exports from the Group's sites to the United States. As a result, certain errors were identified in tariff classification, country of origin, preferential treatment under trade preference agreements, and import prices in U.S. import declarations.

In response to these filing errors, the Group has expanded its investigations to 28 import bases in the United States and is proceeding with investigations into the appropriateness of customs declarations. In addition, the investigation by external experts has so far not found any intentional act to evade the U.S. customs law, and we believe at this point that this incident was caused by errors, not by intention. We plan to review the results of the investigation currently in progress and organize the assessment for the entire issue related to the U.S. base.

Of these, with regard to additional tariffs on import transactions with Nidec Motor Corporation (hereinafter referred to as "NMC") and Nidec Global Appliance North America (hereinafter referred to as "NGANA"), which are the Group's main sites, as the Importer of Record (IOR), the amount was calculated at 70.7 million dollars (about 10.67 billion yen),

including interest, and a voluntary disclosure and payment was made to U.S. Customs and Border Protection (hereinafter referred to as “CBP”) in August 2026. Moreover, the 69.7 million dollars shown in the “Revised Improvement Plan and Status Report” is the estimated amount based on the results of the investigation at that time, and the final voluntary filing amount was calculated to be 70.7 million dollars based on additional analyses by external experts, the expansion of the period subject to the investigation, and the close examination of the amount of interest. At this time, we have not received a closing letter from CBP notifying us of the conclusion of our review.

The 26 sites other than NMC and NGANA, priority was determined based on the significance of the financial impact, and a statistical sampling review was conducted at five sites with the largest import volumes. Based on the results, the financial impact was calculated at 16.6 million dollars (about 2.50 billion yen) and reflected in the consolidated financial statements for the fiscal year ended March 2022 to the fiscal year ended March 2026. The import volumes of NMC and NGANA and these five sites, representing seven sites in total, account for approximately 94% of the Group’s total U.S. import transactions. This percentage represents the proportion of the Group’s total U.S. import transactions accounted for by the seven sites investigated to date and does not indicate whether the appropriateness of the transaction has been confirmed.

A sample review is also underway at the remaining 21 sites. The necessary provision of 5.1 million dollars (approximately 0.77 billion yen), representing a reasonable estimate of the financial impact at this time, has already been reflected in the consolidated financial statements for the fiscal year ended March 2026. Going forward, we plan to complete the investigations at a total of 26 sites, consisting of the five sites investigated on a priority basis and the 21 sites currently under investigation, during the fiscal year ending March 2027, determine the amount of additional tariffs, and then make voluntary disclosures to the U.S. authorities. The import volumes of the 21 sites currently under investigation account for approximately 6% of the Group’s total U.S. import transactions. Accordingly, at present, the

additional financial impact relating to these 21 sites is expected to be relatively limited. However, the final amount of the impact will be determined based on the results of the ongoing investigations.

Furthermore, tariffs that have already been paid may be refunded. In the United States, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were invalid. As a result, some of the Company's U.S. subsidiaries have begun the process to apply for a refund of approximately 70 million dollars in connection with the tariffs. Since this process is still ongoing and whether or not a refund will be granted and the amount of refund will be determined after the review by the CBP, the final amount and time of refund have not been determined at this time.

In addition to U.S.-bound export transactions, we are also conducting investigations and analyses of intra-group transactions other than U.S. import transactions to determine whether there is any tariff risk. Specifically, after identifying the relevant transactions, we conduct an analysis of the nature of the transactions and detailed investigations through questionnaires, interviews, etc., and analyze the impact of the identified matters from accounting, tax, and legal perspectives. At present, no matter having a material financial impact has been identified. Going forward, based on the results of the investigations, we will implement necessary corrective measures as appropriate.

(8) Response to suspected quality-related misconducts, etc.

As part of the improvement of the internal management system through the "Nidec Corporate Reform Committee," which was established on October 30, 2025, we began a comprehensive quality inspection of the Group's production bases and development bases on January 8, 2026, with the aim of confirming the status of the quality control system and change management process, identifying quality-related issues, and considering necessary corrective measures and recurrence prevention measures. Specifically, we conducted interviews with employees at

each production base, reviewed records of process changes, design changes, etc., and established a reporting desk (hereinafter referred to as the "Quality Feedback Channel") for all employees to provide information on quality control-related concerns. We also conducted voluntary inspections of the Group's production activities at all production bases for going back to 2020. As a result of the comprehensive quality inspections, suspected misconducts were found with certain products manufactured by the Company and Group companies, such as changes in materials, processes, designs, etc., that were not confirmed by customers (hereinafter referred to as "quality-related misconducts").

As there had been reports of suspected quality-related misconducts at multiple locations, the Company determined that an objective investigation by outside experts, who have extensive experience and expertise in investigating similar cases, was necessary in order to clarify the facts in more detail, determine the causes, and consider effective improvement actions to strengthen its commitment to quality assurance, and established an investigation committee on May 13, 2026.

Chairperson	Toshihiko Itami	Attorney at law, WIN Law Office
Member	Hideo Makuta	Attorney at law, Ginza Chuo Law Office
Member	Kenji Kawai	Attorney at law, Tokyo Liberte Law Office
Composition and date of establishment		May 13, 2026
Terms of reference		(1) Clarification of suspected quality-related misconducts (2) Analysis of the causes and recommendations on improvement actions (3) Other matters deemed necessary by the Investigation Committee

2. Causes

The causes identified up to the time of the publication of the Revised Improvement Plan and the Status Report are as described in the Revised Improvement Plan and the Status Report.

We are also conducting an additional analysis of the causes of new findings in various investigations conducted by the Company after the publication of the Revised Improvement Plan and the Status Report. In particular, in order to confirm whether there are similar problems in terms of trade compliance in the Group in light of the FIR Issue, in addition to import transactions in the United States, we also conducted a survey of other intra-group transactions. In addition, the Investigation Committee, which consists of outside experts, also investigated cases of quality-related misconducts discovered through comprehensive quality inspections and other inspections. Based on the results of these investigations, the causes of errors in declarations and quality issues found in the U.S. customs investigation are summarized as follows.

i. Causes of trade compliance problems

As a result of investigating and analyzing trade transactions in the Group, some trade compliance problems were identified. Particularly in the customs investigation in the United States, some errors in declaration were confirmed regarding tariff classification, country of origin, application of preferential treatment based on free trade agreements and other agreements, and import prices.

The investigation and analysis of the main causes of these errors confirmed that, in addition to the fact that the relevant personnel didn't have sufficient trade related knowledge and compliance awareness, the procedures and division of responsibilities for trade management operations at each site were not necessarily clearly and consistently defined, and business processes were not sufficiently standardized.

In addition, systems and controls for collecting and managing information necessary for trade transactions, and for verifying its accuracy of such information, were not sufficiently established, and the mechanism for continuously confirming and monitoring the implementation status of trade management operations at each base was also not sufficient. In the United States as well, against the backdrop of this situation, trade control operations at

each site became dependent on individual personnel and external customs brokers, etc., and we recognize that we were unable to detect and correct declaration errors in a timely manner.

Furthermore, we recognize that these problems arose against the backdrop of the Group's failure to sufficiently disseminate and embed unified business standards for trade management across its locations, as well as an inadequate framework for the relevant head office functions to monitor and supervise compliance with such standards across the Group.

ii. Causes of quality-related misconducts, etc.

The results of the investigations by the Investigation Committee are as disclosed in the "Disclosure of Investigation Report and Nidec's Actions in Response to It" dated September 4, 2026, and its summary is as follows. In the received investigation report, changes in the person (Man), machine (Machine), material (Material), or method (Method) used for manufacturing, testing, or inspection of products (hereinafter referred to as "4M change") that were made without following the required procedures based on the agreement with customers (hereinafter referred to as "4M change rule violations") were identified as quality-related misconducts. It was also found that there were the falsification and fabrication of testing and inspection results, violations of inspection and manufacturing conditions, use and shipment of substandard and unauthorized items, and violation of the preparation and management rules of component- and material-related records. In addition, there were misconducts related to products' country of origin and other data.

Scope of the investigation	All companies in the Group
Investigation period	From May 13, 2026 to September 2, 2026
Date of receipt of investigation report	September 2, 2026
Overview of the investigation results	[Quality-related misconducts] 844 cases in total (60 material quality-related issues and 784 general quality-related issues) ■ Material quality-related issue: refers to an issue that is determined to correspond to any of the following: (a) an issue in which an executive

officer of the Nidec Group or the head of the production site is involved, (b) an issue in which the final products are for an overseas public organization, (c) an issue in which a violation of laws, regulations, certifications, etc. is suspected, (d) an issue in which a Business Unit, a domestic Group company, a production site, or a declarant, etc. has evaluated that the product in question may be subject to recall, or (e) an issue in which a Business Unit, a domestic Group company, or a declarant, etc. has evaluated that the product in question has a high technical risk (risk of affecting product safety). With regard to (d) and (e), the Investigation Committee has not verified the validity of these evaluations, and after the Company verified them, we explained customers and obtained their understanding.

■ General quality-related issue: refers to an issue where the quality-related misconduct was identified, but none of the criteria (a) through (e) for a material issue were met.

Business Unit and Group companies	No. of cases	Percentage
NIDEC Instruments Co., Ltd. (NIST)	585	69.3%
Nidec Mobility Corporation (NMOJ)	125	14.8%
NIDEC Technomotor Co., Ltd. (NTMC)	57	6.8%
Small Platform Motor & Solutions Business Unit (SPMS)	24	2.8%
Appliance, Commercial & Industrial Motors Business Unit (ACIM)	19	2.3%
Existing in-vehicle Business Unit (AMEC Organic)	15	1.8%
Motion & Energy Business Unit (MOEN)	6	0.7%
NIDEC Components Co., Ltd. (NCCC)	4	0.5%
NIDEC Drive Technology Co., Ltd. (NDTC)	4	0.5%
Automotive Motor & Electronic Control Business Unit (AMEC)	3	0.4%
NIDEC Powertrain Systems Co., Ltd. (NPSC)	1	0.1%
NIDEC Precision Co., Ltd. (NPCJ)	1	0.1%

Type of conduct	No. of cases	Percentage
4M change rule violations	805	95.4%
Falsification or fabrication of testing and inspection results	22	2.6%
Violations of inspection and manufacturing conditions	11	1.3%
Use and shipment of substandard and	4	0.5%

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<tr><td></td><td>
<table>
<tr><td>unauthorized items</td><td></td><td></td></tr>
<tr><td>Violations of the preparation and management rules of component- and material-related records</td><td>2</td><td>0.2%</td></tr>
</table>

[Misconducts related to products' country of origin and other data] A total of 6 cases
<table>
<tr><td>Business Units and group companies</td><td>Overview of the representative issues</td></tr>
<tr><td>NDTC</td><td>An issue in which the nameplates of machine parts processed overseas indicated "Japan" and the country of origin was recorded as Japan in some invoices, etc.</td></tr>
<tr><td>NDTC</td><td>An issue in which the country of origin with questionable accuracy was indicated on the product label and invoice of measuring products</td></tr>
<tr><td>AMEC</td><td>An issue in which a supplier certificate of Japanese origin was submitted without reviewing the determination of country of origin even after a part of the process was transferred to another country</td></tr>
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<tr><td>Overview of structural problems that created and perpetuated the unhealthy state</td><td>(1) Top management: Business management that does not respond to scale expansion and setting performance targets that do not match ability
(2) Corporate level: A lack of the integration, monitoring and horizontal development of quality governance
(3) Business Units, Group companies and bases: Justification for deficiencies in quality assurance resources and functions and inappropriate responses</td></tr>
<tr><td>Recommendations on improvement actions</td><td>(1) Realization of the ideal state of management (high-quality decision making as a team while emphasizing organizational learning based on a shared understanding of the direction (goals) the organization should take from the perspective of the medium- to long-term and important values including quality (principles))
(2) Realization of the ideal image of NIDEC's corporate level (support and check business divisions from a cross-sectional perspective without falling into sectionalism or partial optimization)
(3) Realization of the ideal image for Business Units, Group companies and bases (understand one's own roles in the entire Group and continue to take on sound challenges while maintaining the necessary level of transparency)</td></tr>
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The Investigation Report points out other issues such as: (i) while the management system was unable to keep up with the growth of the Company, employees were strongly required to achieve short-term business targets and reduce cost beyond the actual business conditions;

(ii) in individual businesses, the identifying, evaluation, and monitoring of quality-related risks, and the transition management associated with business succession and production transfer were both inefficient; and (iii) amid pressure to reduce cost, Nidec could not secure enough human and other resources for quality assurance, while the Company's quality assurance department could not fully exercise its independent check functions. The Investigation Committee points out that these issues, intertwined, led to the generation and continuation of the aforementioned series of misconduct. We sincerely acknowledge these issues, which the Report states caused an "unhealthy state" to be formed and continue to exist in Nidec.

3. Improvement measures and their progress

[Improvement actions] outlines the content of improvement measures described in the Revised Improvement Plan and the Status Report disclosed on April 27, 2026, and [Improvement status] sets out the implementation status of those improvement actions. The positions stated in [Improvement status] are those at the time of conducting each improvement action and may differ from the current positions.

i. Improvement measures based on suspected improper accounting practices and improvement status

(1) Reorganization of the medium-term management plan formulation process

[Improvement actions]

As described in the Revised Improvement Plan and the Status Report, the Company was believed to have fallen into an excessive tendency to place top priority on its share price. In order to recover its share price, the Company presented a vision of its future growth potential with a strong awareness of exceeding market expectations. In the formulation of the medium-term management plan, the Company set profit targets and operating profit ratios based on this vision in a top-down manner. Combined with a corporate culture that places top priority on short-term profits and that focused authority on Mr. Nagamori and prioritized his intentions, the Company assigned each Business Unit and domestic Group company their profit targets, and these became

the basis for the business plan formulation. Profit targets set in this way were difficult to achieve and unrealistic, in light of the actual performance and business environment of the Business Units and domestic Group companies, and there was a gap between certain members of the management of the Company and the management of each Business Unit and domestic Group company regarding the rationality and feasibility of the Company's plans and targets. In addition, as the third-party committee also pointed out, the Nidec head office did not necessarily have strong horizontal functions. In light of these circumstances, we will implement the following measures.

(i) Redefinition and clarification of rules for formulating the medium-term management plan

Each Business Unit and domestic Group company will formulate plans based on an appropriate understanding of the characteristics and business environment of each operation under the direction of company-wide management, rather than setting uniform top-down targets. In addition, the Company aims to strengthen competitiveness and achieve business growth from a medium- to long-term perspective without placing too much emphasis on short-term profits. In order to clearly indicate strategies with concrete effectiveness, such as research & development, the Company will redefine and clarify rules to increase the feasibility of the medium-term management plan to achieve growth. This includes the formulation and verification of plans by Business Units and domestic Group companies in cooperation with not only the CFO and CMO (Chief Marketing Officer), but also with the CDO (Chief Digital Officer) and CTO (Chief Technology Officer), who are officers and employees responsible for cross-organizational functions of the entire Group.

(ii) Building a team structure for examining the medium-term management plan

We will make it clear that managers in each Business Unit and domestic Group company are responsible not for achieving top-down targets but for formulating and implementing their own medium-term management plans, which have been approved by the relevant authorities. In addition, we will build a team structure to support such managers and ensure that each Business Unit and domestic Group company formulates a plan after sufficient discussion by the team. At the same time, the Company's secretariat, organized in accordance with regulations, and officers and employees who are responsible for cross-organizational functions of the entire Group will work together with the teams of each Business Unit and domestic Group company and personnel in charge to confirm figures, analyze factors, and verify and discuss strategies and measures. This makes it clear that the Company is responsible for verifying and approving the plans of each Business Unit and domestic Group company and allocating resources and monitoring them while each Business

Unit and domestic Group company is responsible for formulating its own plans. In addition, in the process of formulating the medium-term management plan, the Company will broadly gather knowledge from in-house talented human resources and utilize knowledge from outside experts as well so that a reasonable and feasible plan can be formulated.

(iii) Strengthening the medium-term management plan formulation process

First, the management direction of the entire company, which is positioned at the top of the medium-term management plan, is determined. Then, based on this direction, the teams responsible for the performance of each Business Unit and domestic Group company conduct sufficient strategic discussions to elaborate a reasonable medium-term management plan that is worth taking on the challenge. Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. After these measures are put in place, in order to formulate an effective medium-term management plan based on business strategies in accordance with the defined rules, in fiscal 2026, we will review the plan for up to fiscal 2027 that has already been formulated and formulate a plan for fiscal 2028 and beyond.

Improvement measure	Reorganization of the medium-term management plan formulation process
Department in charge	Office of the President
Regulations subject to maintenance	Mid-term Management Plan Formulation Regulations
Completion date of maintenance	(i) Redefinition and clarification of rules for formulating the medium-term management plan: June 2026 (ii) Establishment of a team structure for examining the medium-term management plan: June 2026 (iii) Strengthening the medium-term management plan formulation process: June 2026
Start date of operation	(i) Redefinition and clarification of rules for formulating the medium-term management plan: July 2026 (ii) Establishment of a team structure for examining the medium-term management plan: July 2026 (iii) Strengthening the medium-term management plan formulation process: July 2026
Methods of raising awareness	Explain the regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-

Cause item number (Reference)	(1)

[Improvement status]

(i) Redefinition and clarification of rules for formulating the medium-term management plan

In June 2026, we newly established the Medium-term Management Plan Formulation Regulations, which are rules to enhance the feasibility of the medium-term management plan to achieve growth, including the formulation and verification of plans by Business Units and domestic Group companies in cooperation with the CFO, CMO, CDO, CTO and other officers and employees who are responsible for the cross-organizational functions of the entire Group, in order to clearly indicate strategies with concrete effectiveness, such as research & development, with the aim of strengthening competitiveness and achieving business growth from a medium- to long-term perspective. Subsequently, we have completed the dissemination of the Medium-Term Management Plan Formulation Policy to each Group company. Based on this, we began operating the process of formulating the medium-term management plan from fiscal 2026.

(ii) Establishment of a team structure for examining the medium-term management plan

We made it clear that managers in each Business Unit and domestic Group company are responsible for formulating and implementing their own medium-term management plans following approval by the relevant authorities. In addition, we have built a team structure to support such managers and have developed a system that enables each Business Unit and domestic Group company to formulate a plan after sufficient discussion by the team. At the same time, we have developed a system in which the Company's secretariat and officers and employees who are responsible for cross-organizational functions of the entire Group work together with the teams of each Business Unit and domestic Group company and personnel in charge to discuss the medium-term management plan. Furthermore, in the

process of formulating the medium-term management plan, the Company is broadly gathering knowledge from in-house talented human resources and utilizing knowledge from outside experts as well.

(iii) Strengthening the medium-term management plan formulation process

First, we have revised the medium-term management plan formulation process so that the management direction of the entire Company is determined and, based on that direction, the teams responsible for the performance of each Business Unit and domestic Group company will conduct sufficient discussions on their strategies to create a reasonable medium-term management plan. By requiring Business Units and domestic Group companies to fulfill their accountability to the Company, and by having the Company's institutional decisions (such as obtaining approval from the Group Executive Management Meeting and the Board of Directors) based on their explanations, we prevent top-down, personal or arbitrary formulations and modification of plans by some of the Company's management members. Based on these measures, in fiscal 2026, we are reviewing the plan for up to fiscal 2027 that has already been formulated and formulating a plan for fiscal 2028 and beyond. In particular, based on the "Re-Definition" NIDEC Five-Year Business Transformation Plan (FY2026-30) (https://www.nidec.com/files/user/www-nidec-com/corporate/news/2026/0513-05/260513-05en.pdf) announced on the Company website on May 13, 2026, which sets forth business restructuring, a review of the business portfolio, Group restructuring, and Group-wide IT infrastructure reforms, the direction and review process for the formulation of the medium-term management plan were discussed at the Group Executive Management Meeting held on May 29 and at the Board of Directors meeting held on June 3, and the formulation process was commenced at the briefing session attended by the Company's management, the presidents of Business Units and the presidents of the Group companies. At present, strategic review teams established in the five business domains, (Better Life, Electrification & Energy Infrastructure, Digital

Society Solutions, Advanced Manufacturing Solutions, and Mobility Innovation), which integrate businesses with common business characteristics, are taking the lead in formulating medium-term management plans while examining factors such as the market environment, the Company's strengths and technological elements, and synergies between companies belonging to the same business domains, rather than deciding plans based solely on the intentions of the presidents.

For example, in the discussion of strategies for certain businesses, we are proceeding with discussions based on the competitiveness of the businesses, such as reconsidering the portfolio for each product and considering a shift to selection and concentration for less competitive products, in contrast to the conventional initiatives that were premised on expanding the sales scale and developing a full lineup of products. In this way, we are considering plans for growth on our own initiative, utilizing the knowledge of outside experts and based on the actual situation and future forecasts. In addition, from the perspective of reforming our organizational structure and management model to improve governance and optimize the Group as a whole, we are considering measures such as the consolidation and dissolution of corporations, optimization of production bases, and conversion of sales subsidiaries and factories to administrative cost centers.

(2) Reorganization of the business plan formulation process

[Improvement actions]

As described in the Revised Improvement Plan and the Status Report, due to excessive emphasis on the Company's share price, the Company's plans and targets were unrealistic, diverging from the actual performance and business environment of the Business Units and domestic Group companies. As this has been causing extremely strong pressure to achieve the targets, the Company has implemented the following measures.

(i) Redefining the rules of business plan formulation

Each Business Unit and domestic Group company will not formulate business plans based

on top-down targets. Instead, in accordance with the medium-term management plan formulation process, business plans for the following fiscal year have been formulated as action plans incorporating specific measures, based on strategies and figures verified and formulated in consideration of the characteristics of each Business Unit and changes in market conditions, as well as recent changes in external environments and internal resources. We will implement this policy from fiscal 2026 onward.

For example, there are businesses for which the sales plan for the next fiscal year can be largely forecasted based on the order backlog at the end of the current fiscal year, and businesses for which the sales plan for the next fiscal year changes significantly depending on the monthly market conditions and net sales of customers' products. When formulating a business plan for the next fiscal year, we will focus on considering these differences in business characteristics.

We will also establish a rule to clearly state analyses of external environments such as market fluctuations and competition conditions, growth based on new product plans and market development activity plans, and invested resources (investment plans, research & development plans, and personnel) at the time of plan formulation and to incorporate such information into the business plan.

In addition, we will make it a rule to specify the analysis of external environments such as market fluctuations and the status of competitors, growth based on new Finished goods plans and market development activity plans, and invested resources (investment plans / research & development plans / personnel) at the time of planning, and incorporate them into the business plan.

Through these improvements, we enhanced the rationality and feasibility of our plans and will shift to a plan formulation method that can better fulfill our accountability to stakeholders. Changes to a plan during the fiscal year shall be made through reasonable discussions after confirming environmental changes and the effectiveness of strategies and measures.

(ii) Building a team structure for reviewing business plans and strengthening processes

As in the formulation of the medium-term management plan, each Business Unit and domestic Group company clarified the person in charge for formulating a business plan, established a team structure to support the person in charge, and formulated a business plan after sufficient discussion by the team. At the same time, Business Units and domestic Group companies will fulfill their accountability to the Company, and by implementing reconciliations in accordance with the Company policies and making institutional decisions on plans (such as approval by the

Executive Management Meeting and the Board of Directors), we will prevent top-down, personal or arbitrary formulations and modification of plans. With regard to the business plan for each Business Unit and domestic Group company for fiscal 2026, we have formulated an action plan that incorporates specific measures following team discussions in light of recent changes in the external environment and internal resources. The plan was verified by the Company and approved by the Board of Directors. In addition, reflecting the initiatives described in (2) to (4), we have newly established the Business Plan Management Regulations, which serve as the basis for the appropriate operation of formulating future business plans, budget vs. actual performance management, and business evaluations, and have completed the dissemination of the Business Plan Management Policy to each Group company. Furthermore, the formulation of the medium-term management plan process, which forms the basis of business plans, began in July 2026 and will be implemented from the business plan for fiscal 2027.

Improvement measure	Reorganization of the business plan formulation process
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and strengthening processes: March 2026
Start date of operation	(i) Redefining the rules for business plan formulation: March 2026 (ii) Building a team structure for reviewing business plans and strengthening processes: March 2026
Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (Reference)	(1)

[Improvement status]

(i) Redefining the rules for business plan formulation

In March 2026, we newly established the Business Plan Management Regulations and completed the dissemination of the Business Plan Management Policy to each Group company. These were put into operation in fiscal 2026 and will be reflected in the business plan for fiscal 2027.

(ii) Building a team structure for reviewing business plans and strengthening processes

At the briefing on the business plan formulation process held in January 2026, we explained the formulation policies and format based on the concepts described in the Improvement Plan and the Status Report, and each Business Unit and domestic Group company started formulating a business plan. From the end of January to early February, we held meetings with each Business Unit and domestic Group company to confirm the progress of the formulation process and to resolve any questions or concerns.

Subsequently, we held a business plan sharing meeting in March 2026 to mutually confirm the rationality of the plan in light of the external environment and business characteristics for each business that is compatible with each other. After these processes, at the Group Executive Management Meeting held on March 28 and at the Board of Directors meeting held on March 31, the consolidated business plan was discussed and the business plan for fiscal 2026 was approved.

During the formulation process, some participants discussed that it should be compatible to correct the unrealistic goal setting by a part of management and to pursue healthy challenges for growth, and reported cases in which they considered taking on challenges on their own initiative rather than conservative plans. In light of the fact that the actual situation of each business was not uniform in the past, each business independently formulated a business plan for fiscal 2026 and the Company verified its rationality. We will continue these efforts in fiscal 2027 and beyond.

In the above process, as a result of re-examining the future outlook based on the actual situation of the businesses and the external environment, some businesses have come to review their growth prospects and decide on policies for structural reforms, including production systems. As a result of reflecting these in accounting closing for the fiscal year ended March 31, 2026, a large amount of impairment losses was recorded in the same period. Going forward, the Group will continue to strive to ensure the soundness of its management

through the formulation of a business plan tailored to the actual situation and the monitoring of investments made.

In addition, in March 2026, we newly established the Business Plan Management Regulations, which serve as the basis for the appropriate operation of formulating future business plans, budget vs. actual performance management and business evaluations, and have completed the dissemination of the Business Plan Management Policy to each Group company. After completing the formulation of the medium-term management plan, which forms the basis of business plans, it will be implemented from the business plan for fiscal 2027.

(3) Optimization of budget vs. actual performance management process

[Improvement actions]

At the Company, it is believed that there was excessive micro-management related to the budget vs. actual performance management on the premise of targets and plans that diverged from the actual performance and business environment of the Business Units and domestic Group companies. As a result, extremely strong pressure has been generated at each level, and a corporate culture has been created in which short-term profits are prioritized and not allowing target shortfall. Therefore, the Company will implement the following measures related to the budget vs. actual performance management.

(i) Change of Performance Management Target in budget vs. actual performance management

At the end of September 2025, we abolished the management system and the performance review meeting, which reported monthly forecast values involving the judgment of the business divisions on a daily basis, and shifted to a system that focuses on examining business operations from the following month onward. Furthermore, we have developed business management based on financial accounting figures that do not involve the judgment of business divisions, namely the system that shifts to business performance judgment centered on monthly financial performance values through consolidated adjustments (simplified consolidation) to the extent necessary for business management rather than uncertain monthly expected values. In addition to the estimates for the current month, we will assess the status of the current quarter, the next quarter, and the fiscal year, which have not been reasonably verified and reported until now. However, the purpose is not to give instructions to achieve the targets, but to assess the business

situation, make accurate management decisions for the future, and utilize them to improve business performance in cooperation with officers and employees who are responsible for the Company's horizontal functions.

(ii) Analysis of results, consideration of measures, and improvement of accuracy of next business plan

In the past, when there was a gap between monthly results and the annual plan, revisions were made by adding the amount of shortfall to the planned values for the following month or quarter, or reallocating the planned values among Business Units or domestic Group companies. Necessary corrections to the planned values were not made properly after the reasons for the shortfalls were analyzed and the measures for improvement were validated.

Based on the Business Plan Management Regulations, which were newly established in March 2026, we have developed guidance that includes specific processes and formats for the budget vs. actual performance management for fiscal year 2026 and have familiarized each Business Unit and domestic Group company with it. Following the April 2026 results, we have established a reporting system under the new operation.

In the future, each Business Unit and domestic Group company will analyze the reasons for discrepancies between monthly results and annual plans, and examine whether these discrepancies are caused by changes in the external environment or changes in internal factors. In addition to examining the scope for recovery in the Business Units and domestic Group companies, we will also review the plan itself during the fiscal year and consider feasible measures such as the optimization of the portfolio by allocating resources to other business areas. In addition, necessary revisions will be reflected in the formulation of the next business plan based on actual results and the external environment. As a result, the Company's management and the management of the Business Units and domestic Group companies will have a common understanding and operate businesses to increase the rationality and feasibility of the plan.

Improvement measure	Optimization of budget vs. actual performance management process
Department in charge	Office of the President / Corporate Management Department / Global Business Promotion Division
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Change in performance management values in the budget vs. actual performance management: March 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: March 2026
Start date of operation	(i) Change in performance management values in the budget vs. actual performance management: April 2026 (ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan: April 2026

Methods of raising awareness	Explain regulations and formats, and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (Reference)	(1)

[Improvement status]

(i) Change in performance management values in the budget vs. actual performance management

At the end of September 2025, we abolished the management system and the performance review meeting, which reported monthly forecast values involving the judgment of the business divisions on a daily basis, and since April 2026, we have started a new budget vs. actual performance management that focuses on monthly financial results based on simplified consolidation. The results for April 2026 were reported to the Group Executive Management Meeting on May 29 and the Board of Directors on June 3, and the results for May 2026 were reported to the Group Executive Management Meeting on June 24 and the Board of Directors on July 8.

With regard to reports for June 2026, the actual results for the first three months of the fiscal year ending March 31, 2027 and forecasts for the second and subsequent quarters based on financial results of business divisions were reported to the Group Executive Management Meeting on October 21, 2026, and will be reported to the Board of Directors on November 5, 2026. As soon as it becomes possible to conduct budget vs. actual performance management based on financial results consistent with those for accounting closing, we plan to do so in the normal reporting cycle.

(ii) Analysis of results, consideration of measures, and improvement of accuracy of the next business plan

Based on the Business Plan Management Regulations newly established in March 2026, we developed guidance including specific processes and formats for budget vs. actual performance management for the fiscal year under review and completed dissemination to each Business Unit and domestic Group company. Since April 2026, in the budget vs. actual performance management mentioned in (i) above, analyses of the status of operations in each Business Unit and domestic Group company has been included in the reports, along with numerical figures, and discussions have been held at the Group Executive Management Meeting.

In September 2026, the Company held a meeting to confirm the full-year outlook for each of its businesses. At the meeting, the Company discussed the outlook and accuracy of the fiscal 2026 business plan as of the most recent date, as well as changes in the situation since the plan was formulated, etc. The Company then reported the consolidated full-year outlook, which summarized the results of the meeting, to the Group Executive Management Meeting on September 9 and the Board of Directors on September 30. Analysis of the reasons for deviation, consideration of room for recovery, review of plans, etc. are also scheduled to be confirmed and discussed at the quarterly budget vs. actual performance management meeting in the normal reporting cycle consistent with the accounting closing.

(4) Review of business evaluation criteria

[Improvement actions]

The Company's corporate culture of prioritizing short-term profits permeated the items and management targets of business evaluations, and business evaluations were conducted with an emphasis on the achievement ratio to the target operating profit. We believe that these business evaluation criteria have created extremely strong pressure and further strengthened the awareness of prioritizing short-term profits. Therefore, we are implementing the following measures regarding business evaluation criteria.

(i) Review of numerical items

In order to improve the quality of management, we changed our current business evaluation

criteria, which were biased toward the amount of operating profit, to multifaceted evaluation criteria that include cash flows and balance sheets. This discourages overly severe pressure to achieve profit targets.

(ii) Addition of evaluation items

With regard to financial indicators, the target achievement ratio will be the main business evaluation criterion, and indicators from a medium- to long-term perspective, such as processes that lead to medium- to long-term management improvements, have been added to the business evaluation items. Based on the Business Plan Management Regulations established in March 2026, we have developed guidance on the new business evaluation and have disseminated it to each Business Unit and domestic Group company. By revising these business evaluation criteria, we will prevent extremely strong pressure to achieve short-term profit targets and shift to a management system that contributes to medium- to long term corporate growth.

Improvement measure	Review of business evaluation criteria
Department in charge	Office of the President
Regulations subject to maintenance	Business Plan Management Regulations
Completion date of maintenance	(i) Review of numerical items: March 2026 (ii) Addition of evaluation items: March 2026
Start date of operation	(i) Review of numerical items: April 2026 (ii) Addition of evaluation items: April 2026
Methods of raising awareness	Explain the regulations and communicate with each Business Unit and domestic Group company to promote understanding
Frequency of implementation	-
Monitoring status	-
Cause item number (Reference)	(1)(2)

[Improvement status]

(i) Review of numerical items

In the Business Plan Management Regulations established in March 2026, the Company set net sales, operating profit, free cash flows (FCF) and return on invested equity (ROIC) as the business evaluation indicators for Business Units and Group companies, and clearly stated a mechanism in which each Business Unit and Group company declares the evaluation weight within a predetermined range according to the business characteristics and determines

numerical items after verification by the Company. This discourages overly severe pressure to achieve profit targets.

(ii) Addition of evaluation items

Briefing sessions were held for each Business Unit and domestic Group company on the new business evaluation policy and process based on the Business Plan Management Regulations. In parallel with the formulation of the business plan for fiscal 2026, multiple medium- to long-term priority measures were formulated by Business Units and Group companies themselves as a means of responding to medium- to long-term issues and objectives, and milestones to be reached by fiscal 2026 and evaluation criteria were also set for them.

In the normal reporting cycle consistent with accounting closing, in addition to net sales and operating profit, indicators including FCF and ROIC will be discussed at the budget vs. actual performance management meeting described in (3) (ii). At the same time, regarding the progress of the medium- to long-term priority measures, we will confirm the progress of initiatives aimed not only at achieving short-term profit targets but also medium- to long-term growth.

In addition, after the end of the fiscal year, the Company will verify and evaluate the medium- to long-term priority measures on a full-year basis, together with the financial indicators described in (i) above, and utilize the results for reporting to the Group Executive Management Meeting, etc. and for discussions on strategies.

(5) Ensuring the independence of the accounting function from the business divisions

[Improvement actions]

(i) Ensuring the independence of the accounting function

In the Group, the CFO of the Company and the CFOs of Business Units and Group companies were held responsible for their own performance and were continuously under intense pressure to achieve performance targets, which gave the accounting department as well as the business divisions an incentive to consider arbitrary accounting practices. In principle, the accounting department is independent from the business divisions and supposed to conduct accounting practices in accordance with the Group Accounting Policy (Nidec global Accounting Policy[*1]) (a Group Accounting Policy that was established as regulations with the introduction of IFRS in 2017 and is being developed and implemented throughout the Group companies, hereinafter referred to as "NIAP"). However, as a result of many accounting departments and business divisions coordinating to achieve profit targets, the accounting department may have expanded the interpretation of the NIAP in a manner that conforms to the wishes of the business divisions, or may have allowed accounting practices that deviate from the NIAP. Therefore, the effectiveness of the second defense line was not sufficiently secured.

In light of these issues, in order to prevent the occurrence of improper accounting practices, we will place top priority on conducting proper accounting practices by ensuring that the accounting function is independent from the business divisions. As part of this, under the Company's executive officer in charge of accounting, the accounting function was divided into the accounting function responsible for appropriate accounting closing and the business management function responsible for monitoring the implementation of management strategies. In addition, the accounting function of Business Units and domestic Group companies will be under the control of the accounting function of the Company, and the Company will also be involved in personnel matters. In particular, when deciding on the appointment or dismissal of the CFO of a Business Unit or a domestic Group company, the Company's CFO will check the details in advance and, in the case of dismissal, confirm the appropriateness of the reason. In addition, with respect to personnel evaluations of persons responsible for the accounting in Business Units and domestic Group companies, the CFO of the Business Unit or domestic Group company shall be obliged to report the results of the evaluation and the reasons thereof to the CFO of the Company, and a system shall be put in place whereby the CFO of the Company can confirm the fairness and appropriateness of the evaluation. Through these personnel processes, the Company will prevent the CFO and the person in charge of accounting at Business Units and domestic Group companies from being unfairly evaluated or dismissed, and ensure that the accounting organization can make appropriate accounting decisions independently from the business division's performance goals and intentions. In this way, we will eliminate the structure in which many of the Group's accounting departments and business divisions

coordinate to achieve profit targets.

In addition, we will establish a dual reporting line to ensure that we can report accurate results as an organization regardless of whether we have failed to achieve or exceeded our targets. In particular, the reporting line of the CFO of a Business Unit or domestic Group company shall be the CEO of the organization to which he or she belongs and the Company's CFO. Furthermore, the reporting line of the accounting manager (most senior accounting professional) of a Business Unit or domestic Group company shall be the CFO of the organization to which he or she belongs and the accounting manager of the Company.

Regarding the above content, the Company has sent a notice to Business Units and domestic Group companies and will proceed with the implementation in the future.

(ii) Securing accounting resources

At the time of the announcement of the improvement plan on January 28, 2026, there were 43 members in the Company's Accounting and Tax Department, which is responsible for the accounting function (including 14 from the Consolidated Accounting Group), and 14 members in the Corporate Management Department, which is responsible for the business management function. Although we now have more than 300 Group companies as a result of active M&As, we have not increased the number of employees in the accounting function correspondingly. In addition, with the high turnover rate of mid-level accounting employees, mainly caused by long working hours due to increased workload during peak seasons and anxiety over future careers, we have not successfully recruited high-quality replacement human resources in a timely manner to keep pace with such turnover, resulting in a chronic shortage of accounting personnel in terms of quantity and quality. To respond to this, we will strengthen the personnel resources of the Consolidated Accounting Group of the Accounting and Tax Department in particular. Specifically, we will increase the number of employees in the Consolidated Accounting Group by about five to six people through personnel relocation, including from Business Units and domestic Group companies. This will strengthen the Company's control over Business Units and domestic Group companies and ensure high-quality accounting closing. In addition, we will abolish excessively early disclosure of financial results to ensure the quality of financial closing, and give priority to ensuring sufficient time for review or check.

However, for the time being, personnel will be allocated to the implementation of improvement measures and the response to the current accounting closing. Therefore, as an immediate response to ensure accounting closing quality, we have established an accounting and financial closing response system that utilizes external specialized human resources, and the actual consolidated accounting and financial closing are also carried out with the involvement of

external resources. This complements accounting closing operations and review functions, which are difficult to handle only with our human resources, and also aims to ensure accounting and financial closing quality based on objective external knowledge. On the other hand, we are continuously reinforcing our human resources through recruitment, including hiring new graduates. In addition, we will gradually promote in-house appointments and self-reliance based on the development of the accounting personnel under the guidance of the external experts over the next one to two years. At the same time, we will implement measures to consolidate and streamline the accounting operations. Specifically, we will implement reforms in accounting processes, including the upgrade of existing systems and the introduction of new EPM tools. At the same time, we will consider the adoption of a shared services model and outsourcing, and reduce the overall burden of administrative functions associated with the decrease in the number of Group companies due to group reorganization. In addition, in response to future career concerns, we will present career paths for accounting staff and work to prevent mid-career turnover by implementing measures such as job rotation based on future careers and reassignment through open recruitment.

(iii) Awareness raising and education on accounting

In addition to reviewing the organizational structure to differentiate functions, we recognize that it is most important to raise awareness of the accounting departments of the Company, Business Units and domestic Group companies as an independent second defense line with specialized accounting expertise in order to conduct appropriate accounting and financial closing. In addition, in light of the fact that the recognition that appropriate financial reporting is the foundation of the trust relationship with the capital markets and the attitude of maintaining a constructive and sincere relationship with the accounting auditor were not sufficient within the Company, the Company believes that it is necessary for the accounting department to act with expertise and professional skepticism, and to establish an awareness and behavior pattern that can properly exercise a check function within the organization against inappropriate decisions. To this end, by continuously implementing training to raise awareness of the accounting department, we aim to raise the awareness of the accounting department members of the Company, Business Units and domestic Group companies so that they can inspire each other and take pride in their work.

This Issue was not a problem unique to the accounting department. We recognize that it was caused by a lack of awareness and sensibility toward company-wide financial reporting. For this reason, based on this Issue, we will conduct educational training for all departments beyond the accounting department, including awareness-raising for the prevention of recurrence, and thoroughly disseminate the information, with the aim of deepening understanding of the impact

of improper accounting on corporate values and stakeholders, as well as how the decisions and actions of each division affect the appropriateness of financial reporting.

Specifically, for example, we will use e-learning and such content as a level-specific training, a new hire training for mid-career recruits, and a continuous training, and expand it within the Group.

In this regard, in March 2026, the President issued a message to all employees to raise awareness of the Company's basic stance on compliance and the need to respond sincerely to investors, markets, and other stakeholders and to ensure accurate financial reporting. In addition, an e-learning program was held for about 12,000 senior management, officers and employees engaged in accounting, and officers and employees engaged in purchasing, production management, and sales to ensure a sincere attitude toward investors and markets, ensure accurate financial reporting, and raise understanding and awareness of compliance. In particular, participants deepened their understanding of the background to the improper accounting and its social impacts. Using an actual improper accounting issue as a theme, they learned in a case study format about the signs of financial and accounting closing risks that should be recognized in the field and the appropriate actions required when they are identified. We believe that this will contribute to the thorough implementation of sincerity toward investors and the market as proposed by the third-party committee.

(iv) Strengthening accounting governance

We are aware that we had a problem that the check function for all Group companies, numbering more than 300, was not sufficient. Based on the experience of the accounting voluntary inspection, we are building relationships for efficient and effective communication among the Company, Business Units, domestic Group companies and their subsidiaries. We will certainly implement measures such as the development of the NIAP in the future.

In addition, we have established a new process for reporting information from each Group company to the Company on risks that may occur in the accounting closing of Group companies from the financial results for the fiscal year ended March 31, 2026. This will make it possible for the Company to grasp and manage risk information, such as significant impairment in accounting and accounting closing of each company in an integrated manner. Then, the Corporate Management Department, which is responsible for business management functions, comprehensively analyzes risk information gathered through this new process, including changes in the business environment and financial information, and appropriately evaluates whether the initial business plan and investment plan were highly feasible based on the actual situation on the ground. It also works to share information with the Accounting and Tax

Department. In addition, the Company's CFO shares important risk information on accounting and accounting closing with the Executive Management Meeting and the Board of Directors in a timely manner. Also, the Company's CFO will analyze and respond from a Group-wide perspective and hold regular meetings with the CFOs of the Business Units and domestic Group companies to strengthen cross-organizational functions. In this regard, since we have clarified a unified operational policy for the entire Group, we will promote the implementation in the future.

Furthermore, given that it is essential to provide appropriate and transparent information to the accounting auditor as a prerequisite for honest financial reporting to investors and markets, we will share important accounting and accounting closing risk information with the accounting auditor in a timely manner. This ensures that information that could affect important decisions in audits is communicated to the accounting auditor in a comprehensive and timely manner.

As a result, we will further enhance the accounting governance of the entire Group, leading to the prevention and early correction of improper accounting practices.

Improvement measure	Ensuring the independence of the accounting function from the business divisions
Department in charge	Accounting and Tax Department, Corporate Management Department, Human Resources Department
Regulations subject to maintenance*2	Division of Duties Regulations, Accounting Regulations, Affiliated Company Management Regulations
Completion date of maintenance	(i) Ensuring the independence of the accounting function: March 2026 (ii) Securing accounting resources: March 2026 (iii) Awareness raising and education on accounting: March 2026 (iv) Strengthening accounting governance: April 2026
Start date of operation	(i) Ensuring the independence of the accounting function: April 2026 (ii) Securing accounting resources: April 2026 (iii) Awareness raising and education on accounting: April 2026 (iv) Strengthening accounting governance: May 2026
Methods of raising awareness	Establishment or change of regulations, internal notification, company portal
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (Reference)	(4)(5)(6)

*1. The name "NIdec global Accounting Policy manual" which was used in the Revised Improvement Plan and the Status Report was changed to "Nidec global Accounting Policy" at the end of June 2026.

*2. In the Revised Improvement Plan and the Status Report, Human Resource Development Regulations were also listed as regulations subject to maintenance. However, as matters related to human resource development were listed in the Group Accounting Regulations, the Human Resource Development Regulations were excluded from regulations subject to maintenance.

[Improvement status]

(i) Ensuring the independence of the accounting function

In order to prevent the occurrence of improper accounting practices, we ensured that accounting function was independent from the business divisions and promoted the development of a system that places top priority on conducting proper accounting practices. As part of these efforts, we notified Business Units and domestic Group companies in February 2026 that the Division of Duties Regulations and job descriptions should be reviewed and revised to clarify the roles of the accounting function and the business management function. In response, Business Units and domestic Group companies have revised their Division of Duties Regulations and job descriptions, and since April 2026, they have separated the accounting function, which is responsible for appropriate accounting closing, and the business management function, which is responsible for monitoring the implementation of management strategies, etc. under the Company's executive officer in charge of accounting. In addition, the accounting function of Business Units and domestic Group companies is under the control of the accounting function of the Company, and the Company is also involved in personnel matters. In particular, when the CEO of a Business Unit or a domestic Group company decides on the appointment or dismissal of the CFO, the Company's CFO checks the details in advance. In principle, the Company's CFO does not appoint or dismiss the CFO of a Business Unit or a domestic Group company. However, if it is deemed that the purpose of an appointment or dismissal is to undermine the independence of the accounting function, the Company's CFO shall object to the proposed appointment or dismissal. In addition, with respect to personnel evaluations of persons responsible for the accounting in Business Units and domestic Group companies, the CFO of the Business Unit

or domestic Group company shall be obliged to report the results of the evaluation and the reasons thereof to the CFO of the Company, and a system is put in place whereby the CFO of the Company can confirm the fairness and appropriateness of the evaluation. Business Units and domestic Group companies were notified of these changes to the personnel processes in April 2026. Through these processes, the Company will prevent the CFO and the person in charge of accounting at Business Units and domestic Group companies from being unfairly evaluated or dismissed, and ensure that the accounting organization can make appropriate accounting decisions independently from the business division's performance goals and intentions. In this way, the Company aims to eliminate the previous structure in which the accounting departments and business divisions aimed to achieve their profit targets together, and to properly exercise a check function as the second defense line.

In addition, we established a dual reporting line in April 2026 to ensure that we can report accurate results as an organization regardless of whether we have failed to achieve or exceeded our targets. In particular, the reporting line of the CFO of a Business Unit or domestic Group company is the CEO of the organization to which he or she belongs and the Company's CFO. In addition, the reporting line of the accounting manager (most senior accounting professional) of a Business Unit or domestic Group company is the CFO of the organization to which he or she belongs and the accounting manager of the Company.

Regarding the above content, the Company provides instructions on dual reporting to Business Units and domestic Group companies, and is working to establish its operation as a system to ensure the independence of the accounting function. By establishing this system, direct communication has become possible on a regular basis between the CFO and the person in charge of accounting of the Company and the CFO and the person in charge of accounting at Business Units and domestic Group companies. In particular, the CFO and the person in charge of accounting at Business Units and domestic Group companies directly report to the CFO and the person in charge of accounting of the Company on the status of business operations, recognized issues, and important points of discussion, etc. in their respective areas

of responsibility through monthly business reports, receive necessary advice and support, and exchange opinions on future response policies and other matters. As a result, an environment is being created in which accurate results can be reported and shared frankly regardless of the status of performance achievement. We recognize that this not only ensures the independence of the accounting function but also contributes to improving the organizational culture that respects proper accounting practices.

The status of ensuring the independence of the accounting function has been added to the internal auditing items and will be monitored through internal audits. An internal audit is scheduled to be conducted in the second half of fiscal 2026.

(ii) Secure accounting resources

At the time of the announcement of the "Improvement Plan and Status Report" on January 28, 2026, there were 43 members in the Company's Accounting and Tax Department, which is responsible for the accounting function (including 14 from the Consolidated Accounting Group), and 14 members in the Corporate Management Department, which is responsible for the business management function. As of the end of October 2026, there were 40 members in the Accounting and Tax Department (including 14 from the Consolidated Accounting Group), as a result of a decrease of three due to changes in management, childcare leave, resignation based on future work preferences, etc., while there were 14 members in the Corporate Management Department, which is unchanged from the time of the announcement of the "Improvement Plan and Status Report." The number of members in the Consolidated Accounting Group has not increased since the date of the announcement of the "Improvement Plan and Status Report," and we are still in the process of securing the necessary human resources. In the recruitment market, it takes a certain amount of time to secure human resources with expertise in consolidated financial statements and International Accounting Standards, and it also requires personnel to respond to the current accounting closing and implement improvement measures. Therefore, it is difficult to secure all the necessary human

resources in a short period of time. To this end, we will continue to reinforce the personnel structure of the Consolidated Accounting Group through new graduate and mid-career recruitment as well as reassignments from other divisions. As of the end of October 2026, one member from another division was transferred to the non-consolidated accounting group in the Accounting and Tax Department. At present, the subject member is in the process of acquiring the necessary accounting practices through non-consolidated accounting closing prior to relocation to the Consolidated Accounting Group. In the future, based on the experience and expertise of each employee and the workload of each group, we will consider reviewing assignments, including relocations to the Consolidated Accounting Group.

Since it will take a certain amount of time to reinforce the personnel system through such recruitment and relocation, as stated in the "Improvement Plan and Status Report," we have established an accounting and financial closing response system that utilizes external specialized human resources as a measure to ensure accounting closing quality for the time being. The actual consolidated accounting and financial closing is also proceeding with the involvement of external resources. At the same time, while a large number of consolidated accounting closing personnel are allocated to current accounting closing response and the implementation of improvement measures, etc., we are working to raise the level of our organization-wide accounting closing capabilities by obtaining cooperation from other groups of the Accounting and Tax Department and the Corporate Management Department for work that is relatively easy to transfer, as well as by utilizing support from divisions with practical experience in consolidated financial reporting and employees assigned to group companies, etc. In this way, we are also working to complement accounting closing operations and review functions, which are difficult to handle only with our human resources, and to ensure accounting closing quality based on objective external knowledge. In addition, we have abolished excessively early disclosure of financial results to ensure the quality of financial closing and give priority to ensuring sufficient time for review and checks.

As mentioned above, although the strengthening of internal personnel remains in progress, the current structure, including the utilization of external resources, has secured the number of personnel and expertise necessary to complete the accounting closing and disclosure within the prescribed time frames, and the quantitative sufficiency of accounting personnel has been secured.

On the other hand, we have not reached a stage where we can immediately eliminate our dependence on external specialized human resources, and in-house appointments and self-reliance are issues to be addressed going forward. At present, for human resource development, while external specialized human resources are involved in the accounting closing operations, in-house accounting human resources are acquiring the necessary expertise and know-how. We will gradually reduce the scope of involvement of external resources while promoting in-house appointments and self-reliance based on the development of the accounting personnel under the guidance of the external experts over the next one to two years. At the same time, we will implement measures to consolidate and streamline the accounting operations.

As a first step toward consolidating and streamlining the accounting operations, we are revamping our consolidated management system using EPM tools. Specifically, we are building a common platform to consolidate financial information that was previously scattered across multiple systems and to visualize financial information and other information for all group companies and for each segment. First, we aim to visualize the financial information of the entire Group on a single platform and improve the completeness and accuracy of reporting. Second, we plan to make it possible to grasp monthly results based on consolidated financial figures, and to enhance performance monitoring monthly through budget vs. actual performance management. Third, we aim to visualize the financial figures of each strategic unit and develop an information platform that will contribute to understanding performance and making management decisions. Through this system renewal, we will simultaneously improve the efficiency of accounting closing and consolidated

business and enhance business management information. In addition, regarding the core system, the Group has begun to consider a renewal aimed at standardizing business processes, data and systems that are dispersed throughout the Group.

Regarding the consideration of shared services and outsourcing, we have not yet decided on specific targeted services and the timing of the transfer at this point. We have not yet started the detailed system design because we are prioritizing our response to the current accounting closing and the implementation of improvement measures. In the future, based on the progress of standardization of business processes and system renewal, we will identify business operations that can be standardized and consolidated, and consider the impact on cost effectiveness, quality control, internal controls, and human resources development. In addition, regarding reducing the overall burden of administrative functions associated with the decrease in the number of group companies due to group reorganization, the already announced “Re-Definition” NIDEC Five-Year Business Transformation Plan (FY2026-30) has indicated that it will implement corporate mergers and closures as part of the business restructuring. To this end, we will proceed with the formulation of a concrete action plan based on the progress of the reorganization under this policy.

As a response to career development and prevention of turnover in the accounting human resources, as mentioned above, we have transferred one person from another department to the non-consolidated accounting group, and have started to secure and develop human resources through transfer. In addition, based on the workload associated with the response to the current accounting closing and implementation of improvement measures, once the current workload has subsided, the Company will reassess the personnel structure necessary for its regular accounting closing operations and the division of duties and workload. Based on the results of this assessment, the Company will promote standardization and streamlining of operations, as well as appropriate personnel allocation, to both ensure the quality of accounting closings and develop a comfortable working environment.

Furthermore, regarding measures such as the systemization of career paths for Accounting Department members, regular rotation systems, and personnel relocation through open recruitment, over the next one to two years, the Company will consider a career development mechanism that includes transfers between non-consolidated accounting, consolidated accounting, tax, and business management, etc., after organizing the expertise required for the accounting department, roles expected for each position, and business experience.

(iii) Awareness raising and education on accounting

We are implementing awareness raising and education for our accounting department and other divisions. In March 2026, the President delivered a message to all employees to raise awareness of the Company's basic stance on compliance and the importance of responding sincerely to investors, markets, and other stakeholders and appropriate financial reporting. In addition, an e-learning program was held for approximately 12,000 executives, officers and employees engaged in accounting, and officers and employees engaged in purchasing, production management, and sales to reinforce the Company's sincere attitude toward investors and markets, ensure appropriate financial reporting, and enhance understanding and awareness of compliance. In particular, participants deepened their understanding of the background to the improper accounting and its social impacts. Using an actual improper accounting issue as a theme, they learned in a case study format about the signs of financial and accounting closing risks that should be recognized in the field and the appropriate actions required when they are identified. We believe that this will contribute to the thorough implementation of sincerity toward investors and the market as proposed by the third-party committee.

In addition, in September 2026, an e-learning program was held for employees of the accounting department of the Group in order to prevent the recurrence of improper accounting. The purpose of the learning program is to deepen understanding of the improper accounting issue and recurrence prevention measures, to familiarize and spread the code of conduct

required of an accounting personnel, and to ensure proper accounting closing and financial reporting as the accounting department. Rather than limiting ourselves to the mere acquisition of knowledge, we sought to foster awareness so that each accounting professional understands the role he or she is expected to play and is able to make appropriate decisions and take appropriate actions in the daily accounting closing and financial reporting duties.

These learning programs are not just temporary efforts but will be carried out continuously and repeatedly in the future, with the next one scheduled for around February 2027. Through these ongoing efforts, we will continue to raise awareness and sensibility regarding company-wide financial reporting, including the accounting department of the Group, and take all possible measures to ensure effectiveness as a learning program that contributes to preventing the recurrence of improper accounting.

(iv) Strengthening accounting governance

The Company, Business Units and domestic Group companies, and their affiliated companies are building relationships to communicate efficiently and effectively based on the experience of the accounting voluntary inspection (an accounting voluntary inspection of all group companies to examine the appropriateness of accounting practices from the fiscal year ending March 2020 through the first quarter of the fiscal year ending March 2026 under the management and supervision of the third-party committee). These relationships are used to steadily implement various measures, such as the development of NIAP (for details, see (5) Ensuring the independence of the accounting function from the business divisions and (6) Clarification of accounting policies and proper operation), to strengthen accounting governance.

In addition, from the financial results for the fiscal year ended March 31, 2026, we established a new process for reporting risk information that may occur in the accounting closing of group companies to the Company's Accounting and Tax Department. As a result,

we are now able to grasp and manage risk information on the important accounting and accounting closing of each company, including impairment risk, in an integrated manner. Then, the Corporate Management Department, which is responsible for business management functions, comprehensively analyzes risk information gathered through this new process, including changes in the business environment and financial information, and appropriately evaluates whether the initial business plan and investment plan were highly feasible based on the actual situation on the ground. It also works to share information with the Accounting and Tax Department. In addition, the Company's CFO shares important risk information on accounting and accounting closing with the Group Executive Management Meeting and the Board of Directors in a timely manner. Important risk information on accounting and accounting closing for the fiscal year ended March 31, 2026 and for the first quarter of the fiscal year ending March 31, 2027 was shared with the Group Executive Management Meeting on August 26, 2026. Also, the Company's CFO will analyze and respond from a Group-wide perspective and hold regular meetings (around three times a year) with the CFO, person in charge of accounting, and person in charge of business management of the Company, each Business Unit and domestic Group company to strengthen cross-organizational functions. Most recently, we held a meeting in April 2026 and shared the purpose of this process. At the meeting scheduled to be held in early December 2026, we plan to share and confirm important risk information on accounting and accounting closing and the operation status of recurrence prevention measures, etc.

Next, given that it is essential to provide appropriate and transparent information to the accounting auditor as a prerequisite for honest financial reporting to investors and markets, we share important accounting and accounting closing risk information with the accounting auditor at the appropriate time. The status of the fiscal year ended March 31, 2026 and the first quarter of the fiscal year ended March 31, 2027 was also shared as appropriate during the accounting closing period. This ensures that information that could affect important

decisions in audits is communicated to the accounting auditor in a comprehensive and timely manner.

As stated in the Annual Securities Report for the fiscal year ended March 31, 2026 submitted on September 30, 2026, the following two issues were pending at the time of submission of the report. The first is that the Company had been conducting evaluations to determine appropriate personnel-related remedial measures and implementing such measures with respect to officers and employees involved in improper accounting practices and other related matters; however, some of these personnel-related remedial measures had not yet been completed. The second point is that we did not fully confirm that the successor was properly performing his or her duties after taking over responsibility for financial reporting. The status of the Company's efforts to address these issues is described in the "Notice Regarding the Status of Efforts to Resolve the Disclaimer of Opinion," dated October 28, 2026.

We will continue to address these issues and endeavor to enhance accounting governance across the entire Group and improve the effectiveness of prevention and early correction of improper accounting practices.

The status of accounting governance has been added to the internal auditing items and will be monitored through internal audits. An internal audit is scheduled to be conducted in the second half of fiscal 2026.

(6) Clarification of accounting policies and proper operation

[Improvement actions]

(i) Revision of the Group Accounting Policy and abolition of the request for exception

The NIAP, which is the Group Accounting Policy, stipulates rules and definitions in accordance with IFRS, as well as some guidelines and exceptions for certain accounting treatments. However, because the NIAP does not sufficiently describe specific judgment criteria based on business characteristics, there was room for one to interpret the NIAP more broadly or in a way that deviates from it. Specifically, there was a mechanism for applying to the accounting

department to have the selected accounting policy approved (hereinafter referred to as "request for exception") for an accounting treatment that cannot be uniquely determined only from the description in the NIAP. In response to this situation, improvements have been made, such as integrating the approval process for request for exception into the approval of the executive officer in charge of accounting at the Company. However, in the past, there were cases where a request for exception itself was omitted and accounting was handled according to accounting policies without approval of the executive officer in charge of accounting at the Company. There were also cases where a request for exception was raised immediately before or after the accounting and financial closing. There were also cases where individual accounting rules were established as notices but were not reflected in the NIAP. In this way, in the past, individual response related to accounting practices became the norm, and the operation of the NIAP and notifications was not actually working.

In addition, although the NIAP has been applied to group companies acquired through M&As, it had not been sufficiently spread, and the review and correction of the reporting package (a report form entered by each company to collect financial information in the consolidated accounting system) was insufficient due to the pressure to disclose financial results excessively early amid the chronic shortage of accounting personnel.

In light of these issues, we will first collect and analyze the problems based on this Issue and review the NIAP itself by clarifying rules and definitions. In addition, in order to reflect the rules necessary for making specific decisions in accordance with the actual business situation in the NIAP, we are promoting interviews with Group companies on business conditions. From the financial results for the fiscal year ended March 31, 2026, we have abolished requests for exceptions, which had been a factor in making the NIAP ineffective.

(ii) Development of Group Accounting Policy

We will ensure that all group companies, including those acquired through M&As, are fully aware of the NIAP. Specifically, the revised NIAP will be shared with all Business Units and domestic Group companies via notices and will also be posted on NIAPO (Nidec Accounting Portal), the intranet used by the members of the accounting department of the Company.

In addition, we will continue to provide guidance on the strict application of the NIAP when issuing notices to Business Units and domestic Group companies on topics of quarterly financial results and points of attention in financial results.

(iii) Declaration of compliance with Group Accounting Policy

In view of the fact that the review and correction of the reporting package were insufficient, we will introduce a system in which before submitting the reporting package, a checklist will be

created and used for the accounting issues identified by the accounting department of the Company based on the results of the self-assessment of accounting in this Issue, and the accounting staff and managers of the Business Units and domestic Group companies will submit to the accounting department of the Company declarations of compliance with the NIAP.

(iv) Review of Business Units and domestic Group companies

We will strengthen the supervision of the accounting departments of Business Units and domestic Group companies by having the accounting department of the Company regularly review whether the accounts of each Group company are properly settled. In practice, we plan to efficiently implement the review, including setting the unit of review as the unit of Business Unit or the unit of sub-consolidation (reporting by entering the consolidated financial statements of the subsidiary group in the reporting package). The review of each Group company will be categorized based on the significance of the company size and the actual condition of this Issue, and subsequently the timing, frequency, and depth of procedures will be determined.

Improvement measure	Clarification of accounting policies and proper operation
Department in charge*	Accounting and Tax Department
Regulations subject to maintenance	Accounting Regulations
Completion date of maintenance	(i) Review of the Group Accounting Policy and abolition of request for exception: June 2026 (Abolition of request for exception: March 2026) (ii) Development of Group Accounting Policy: June 2026 (iii) Declaration of compliance with Group Accounting Policy: June 2026 (iv) Review of Business Units and domestic Group companies: August 2026
Start date of operation	(i) Review of the Group Accounting Policy and abolition of request for exception: July 2026 (Abolition of request for exception: April 2026) (ii) Development of Group Accounting Policy: July 2026 (iii) Declaration of compliance with Group Accounting Policy: July 2026 (iv) Review of Business Units and domestic Group companies: September 2026
Methods of raising awareness	Company portal, global meetings, visits/explanations to group companies
Frequency of implementation	Every accounting closing and as needed
Monitoring status	-
Cause item number (reference)	(4)(5)(6)

* In the Revised Improvement Plan and the Status Report, the Human Resources Department was also listed as a department in charge, however the Accounting and Tax Department has become the sole department in charge, and as such the Human Resources Department has been removed as a department in charge.

[Improvement status]

(i) Revision of the Group Accounting Policy and abolition of the request for exception

The revision of the Group Accounting Policy was conducted in June 2026 based on the actual conditions of this Issue and each operation. Specifically, since March 2026, the Group has communicated several times with Business Units and domestic Group companies to clarify the judgment criteria for accounting treatments, which were not necessarily clear in the past, by adding specific guidance based on the actual situation of each company. In addition, from the financial results for the fiscal year ended March 31, 2026, we have abolished requests for exceptions, which had been a factor in making the NIAP ineffective, and requests for exceptions are still not allowed.

In order to detect accounting practices that do not comply with the NIAP, the Company's accounting department confirms the accounting issues and the status of response reported from each Group company through the review process of risk information on accounting closing described in “(iv) Review of Business Units and domestic Group companies” below. It also confirms the accounting practices and decisions related to these issues through the communication with each Group company. Going forward, the Company’s accounting department will continue to confirm the operation status of the NIAP and prepare and revise guidance as necessary to ensure that variations in accounting treatment, inappropriate overinterpretation and deviations from the NIAP are prevented.

(ii) Rollout of the Group Accounting Policy

We ensure that all group companies, including those acquired through M&As, are fully aware of the NIAP. In particular, the revised NIAP was rolled out through a briefing held in June 2026 for CFOs and personnel in charge of accounting of Business Units and domestic Group companies and notifications issued in June and July 2026 to all Business Units and domestic Group companies. In addition, the revised NIAP was also posted on the Company's internal information platform (Company's portal site) to disseminate it to a wide range of related parties, not only in the accounting department. In particular, the briefing session for the global accounting team was not limited to the usual explanation through an interpreter. The person in charge of the Accounting and Tax Department gave a direct explanation in both Japanese and English and responded to questions. As a result, the purpose of the revision of the NIAP, specific judgment criteria, and practical considerations were more accurately communicated, and further understanding and penetration of the NIAP were promoted.

Furthermore, in notices on accounting closing topics and points to consider issued by the Accounting and Tax Department of the Company to the company submitting the reporting package for each quarterly accounting closing, the Company continuously communicates the thoroughness of treatment based on the NIAP. Most recently, in September 2026, we issued a notice for the accounting closing for the second quarter of the fiscal year ending March 31, 2027, and are working to ensure that everyone is aware of the NIAP. If the company submitting the reporting package is the parent company in the sub-consolidated group (reporting by entering the consolidated financial statements of the subsidiary group in the reporting package), the sub-consolidated parent company will expand the reporting package to the sub-consolidated subsidiaries.

By continuing these efforts, we are working to ensure consistency in accounting treatment across the entire Group.

(iii) Declaration of compliance with the Group Accounting Policy

From the first quarter of the fiscal year ending March 31, 2027, each Group company has introduced and implemented a process to confirm and declare compliance with NIAP before submitting a reporting package. In particular, using a checklist of major accounting issues prepared based on the results of the accounting voluntary inspection of this Issue, the accounting managers of Business Units and domestic Group companies confirm the status of compliance with the NIAP and submit declarations. Moreover, in the Revised Improvement Plan and the Status Report, the person in charge of accounting and his/her supervisor were to declare compliance with NIAP. However, in the implementation of the system, the individual responsible for the final preparation of the reporting package will be the one to confirm and declare compliance with NIAP.

(iv) Review of Business Units and domestic Group companies

The accounting department of the Company conducts quarterly reviews to ensure that accounting closing is conducted properly by each Group company. In this way, we are working to strengthen our oversight of the accounting departments of Business Units and domestic Group companies. The Revised Improvement Plan and the Status Report was intended to specify the timing, frequency, and depth of reviews based on factors such as the significance and size of each company. However, upon implementation, it was decided not to categorize companies by size. Instead, for all companies submitting reporting packages, documents setting out financial reporting risk information and significant accounting judgments will be reviewed on a quarterly basis.

In addition to the companies submitting reporting packages, subsidiaries included in sub-consolidations are also subject to review, so that the entire Group is covered. Based on a correct understanding of NIAP, the purpose of this review is to improve the quality of accounting closing and strengthen the supervisory function of the head office through a system in which risk information on accounting closing reported from each Group company to the Accounting and Tax Department of the Company is shared in a timely manner, and the

status of accounting responses and discussions with accounting auditors are continuously monitored.

In concrete terms, from the accounting closing for the fiscal year ended March 31, 2026, prior to and during the quarter-end accounting closings, we check the submission status and content of risk information on accounting closing reported from each Group company, and if there are any inadequacies, we contact each base individually and request that they update and resubmit the information as necessary. In addition, after each quarterly accounting closing, we will collect documents that clearly state important accounting judgments at each base and monitor whether the necessary items are appropriately described. These procedures are scheduled to commence in December 2026.

(7) Reform of the corporate culture

[Improvement actions]

As stated in the third-party committee's investigation report, authority was concentrated on Mr. Nagamori in our Group. In addition, his influence within the Company was extremely large, and it was easy for the philosophy and attitude emanating from Mr. Nagamori to permeate to all employees. Many posters expressing Mr. Nagamori's philosophy were displayed at our sites, and "The Challenging Road" was read in the morning. All employees were exposed to Mr. Nagamori's philosophy and attitude on a daily basis. In this corporate culture, we believe that we created a culture in which opinions could not be expressed, by suppressing opinions that conflicted with and objections to Mr. Nagamori's philosophy and attitude.

After the establishment of the third-party committee, we became aware of the above issues, and on September 16, 2025, the President sent out a message, in which he stated that "the idea of making regulatory compliance the top priority is indispensable" and that "I will do the right thing together and with the same feelings with our employees" and requested employees to speak up. Furthermore, on November 19 of the same year, the President again sent out a message to all employees, in which he said, "I will be the main character who thinks and acts independently to make the Company a place where employees can work comfortably and have pride." He also mentioned that he would like employees to consult with executive officers, continuously calling from the top for the expression of opinions by employees. At the same time, we collected a wide

range of opinions, including those from domestic Group companies, at meetings that have been held in the past between representatives of labor unions and other employee organizations of the Company and the domestic Group companies and the Human Resources Department of the Company.

In the future, we will continue to implement the following measures in cooperation with each company, site, and employee to create a new organizational culture, grasp the actual situation through the collection of opinions, and implement improvement measures.

(i) Establishing a new organization to promote corporate culture reform

In the past, measures related to corporate culture reform and the collection of employee opinions were conducted through Shinbokukai (the Company's employee representative organization), and the Human Resources Department was in charge of coordinating with related departments and submitting proposals to management. However, there were cases in which the opinions of employees were handled without going through an appropriate review process, before sufficient clarification of issues or consideration with related departments. For example, the employment and evaluation systems were considered the exclusive rights of certain executives, and there was a silent understanding of this within the Human Resources Department. As a result, there were cases in which, even when employees made recommendations to revise work systems and evaluation systems, the Human Resources Department determined that there was a high possibility that it would not ultimately be accepted by management, and they would refrain from making or escalating proposals. In addition, there were cases in which proposals for the expansion of employee welfare programs and the development of a comfortable working environment were rejected by the relevant department heads and others and were not escalated on the grounds that these measures would increase costs and put pressure on business performance. In this way, in the past, there was a situation in which there was not enough consideration and reporting to fulfill the opinions of employees.

These issues were not solely caused by the response attitude of a specific department. In addition to the fact that the division of roles and the framework for decision-making regarding the handling of employee opinions were not sufficiently institutionalized, it is considered that the factor was the "culture of not being able to speak up," which tends to give priority to the intention of superiors and refrain from expressing opinions. Therefore, in order to strategically and flexibly promote corporate culture reform and improve the transparency and speed of the decision-making process, on February 1, 2026, a new organization, Culture Transformation Lab, was established directly under the control of the Chief Human Resource Officer (CHRO). The new organization is headed by a person who has been responsible for product development and

human resources at a Group company and the person who served as the President of Shinbokukai, who is also relatively junior, serves as a full-time team leader. By establishing the new organization, we will ensure that the opinions of employees are conveyed to management, and build a system to obtain prompt decision-making, reflect them in policies, and implement measures continuously and stably.

Since the establishment of the Culture Transformation Lab, they have held regular meetings with the CEO and CHRO, regular meetings with Group companies, and regular meetings with the Shinbokukai and Group companies' labor unions to gather opinions. In addition, measures considered by the Culture Transformation Lab are published on the Company's portal site "NiDEPO," where the status of consideration and the direction of response are updated in order and shared so that employees can understand the status of response to opinions received from employees, and the procedures for handling employee opinions are made more transparent.

(ii) Conduct a corporate culture learning program based on employee level

The management philosophy of Mr. Nagamori, the Company's founder, has had a major impact on our corporate culture to date. Mr. Nagamori's management philosophy has been effective in rallying and uniting employees under his strong leadership. However, through the morning readings of "The Challenging Road" and instructions from Mr. Nagamori at morning meetings and other occasions, the message that "those who make profits are most valued" has been repeatedly shared. As a result, there is no denying that a culture in which making profits takes precedence over anything else has taken root within the organization.

In order to review the impact of Mr. Nagamori's management philosophy, we stopped reading "The Challenging Road" in the morning and removed internal notices (posters, etc.) that strongly reflected Mr. Nagamori's values and intentions at all sites in Japan and overseas. We believe this will be a step toward "breaking away from being 'Mr. Nagamori's company'" suggested by the third-party committee.

On that basis, the Company will hold a learning program for executive officers and managers at major Group companies in Japan and overseas to promote employees' understanding of the direction the Company should take in the future and the corporate culture reform initiatives centered on the new organization, the Culture Transformation Lab, and to instill a common understanding of the "correct image" that will form the foundation of the Company's ideal image and lead to behavioral change.

The content of the learning program will include management's message on the reform of the corporate culture, the actions required of each employee as the "correct image," such as acting sincerely both inside and outside the company, the conditions necessary to create a "culture in

which people can share their input without hesitation," and the measures implemented by the Culture Transformation Lab to achieve them.

Through the above measures, we aim for managers to understand the impact of their own actions, organizational structure and management style on the creation of a culture of silence among employees, and to improve it, encourage subordinates and members to speak out, accept issues raised, and practice management that leads to necessary responses. In addition, we aim for the executive officer layer to recognize corporate culture reform as an important management issue and take the initiative in showing and practicing desirable actions. Executive officers are also expected to continuously communicate messages and develop systems so that they can sincerely accept and appropriately respond to employees' opinions.

(iii) Create opportunities for dialogue with employees

As mentioned above, our strong top-down approach to communication led to culture of silence among some employees. In addition, there were not enough opportunities to share opinions or to think about and discuss the organizational culture. In order to familiarize not only the Company but also each base in Japan and overseas with the existence of the Culture Transformation Lab, which was launched as an organization to transform this, and to create a forum for the Culture Transformation Lab to convey opinions, the Company will conduct communication through workshops and interviews at major bases, town hall meetings in which management participates, etc.

The purpose of the workshops and on-site interviews is to inform employees as to the purpose of the Culture Transformation Lab and to directly collect opinions from local employees on issues in our corporate culture, our ideal state, and proposed measures, leading to the examination of specific measures to reform the corporate culture. At the same time, in addition to creating a place for participants to share opinions and deepen mutual understanding, we have established a system that allows them to think about the corporate culture and exchange opinions and discuss desirable forms and actions. As of the end of April 2026, we held workshops and interviews at 6 companies in Japan, including the Head Office in Japan, and 10 companies overseas, and we will continue to hold workshops and interviews in the future and strive to gather direct opinions from employees.

We also believe that the commitment of management is essential to reforming the corporate culture. To this end, management will visit sites in Japan and overseas to convey their own intentions for reform and hold town hall meetings to listen to the voices of frontline employees.

The opinions expressed to management at the town hall meetings will be collected and used to consider measures in the same way as the opinions collected in workshops. Depending on the

details of the measures, the Culture Transformation Lab will take advantage of regular meetings with the CEO and CHRO to obtain approval as appropriate to make swift decisions and promote initiatives to realize them with the cooperation of related departments.

In addition, the status of the consideration and implementation of measures will be regularly posted on the portal site "NiDEPO," so that employees can understand how opinions are considered and reflected.

Improvement measure	Reform of the corporate culture
Department in charge	Culture Transformation Lab
Regulations subject to maintenance	-
Completion date of maintenance	(i) Establishment of a new organization to promote corporate culture reform: February 2026 (ii) Conduct a corporate culture learning program based on employee level: June 2026 (iii) Create opportunities for dialogue with employees: February 2026
Start date of operation	(i) Establishment of a new organization to promote corporate culture reform: February 2026 (ii) Conduct a corporate culture learning program based on employee level: July 2026 (iii) Create opportunities for dialogue with employees: February 2026
Methods of raising awareness	(i) Publication on company intranet and website and on-site visits (ii) Company intranet (iii) On-site visits
Frequency of implementation	(i) - (ii) - (iii) Two to three times a month
Monitoring status	-
Cause item number (reference)	(2)

[Improvement status]

(i) Establishment of a new organization to promote corporate culture reform

Since its establishment, the Culture Transformation Lab has held regular meetings with the CEO and CHRO, regular meetings with group companies, and regular meetings with the Shinbokukai and group companies' labor unions to gather opinions. As of the end of October 2026, meetings with the CEO were held once a month for a total of seven times, meetings with the CHRO were held once a week for a total of 28 times, meetings with group companies

were held once a month for a total of seven times, meetings with the Shinbokukai were held once a month for a total of five times, and meetings with labor unions and other parties of group companies were held regularly for a total of five times*.

We will continue to hold these meetings on a regular basis to gather and discuss the opinions of employees. At the same time, we will ensure that these opinions are conveyed to management and that they are reflected in our measures through swift decision-making.

*Regarding regular meetings with Group companies, after the launch of the Lab in February 2026, we started regular meetings in April 2026 after designing a meeting structure and a coordination period with related parties, and the number of meetings held as of the end of October 2026 was seven. In addition, the first regular meeting with Shinbokukai was held in June 2026 due to the transition handover period associated with the reorganization of Shinbokukai, and as a result, the number of meetings held as of the end of October 2026 was five.

(ii) Conduct a corporate culture learning program based on employee level

On July 30, 2026, an online learning program was rolled out to major group companies in Japan and overseas. The aim was to promote employees' understanding of our corporate culture reform initiatives, instill a common understanding of the "correct image" that will form the foundation of the Company's ideal image and lead to behavioral change. The learning program was expanded to include regular employees (employee level) in addition to executive officers and managers, who were initially targeted.

For regular employees (employee level), we expect that through this learning program, they will be able to express their opinions, even on small matters, such as noticing and communicating small concerns in their daily operations, gradually increase what they can do by themselves, and increase communication with their superiors and colleagues.

(iii) Create opportunities for dialogue with employees

As of the end of October 2026, we held workshops and interviews at 14 companies in Japan, including the Head Office in Japan, and 37 companies overseas. Going forward, we will continue to visit approximately 60 bases per year, including not only head office functions of group companies but also production and sales bases, in an effort to gather direct opinions from employees.

As of the end of October 2026, the President held town hall meetings at a total of 26 sites in Japan and overseas. The opinions expressed to management at town hall meetings, as well as those collected at workshops and other events, are used to examine measures. Moreover, these efforts will continue under the new president.

(iv) Behavioral change by management

In addition to the activities described in (i) to (iii) above in the Revised Improvement Plan and the Status Report, the Company is implementing measures that are deemed necessary to reform the corporate culture. The implementation status of behavioral reform measures by the Company's management and employees is as described in this (iv) and (v) below.

Since the establishment of the third-party committee, the President has continued to deliver messages from the top management to all employees and has encouraged them to express their opinions frankly. In order to make it easier for these ongoing messages to be communicated to employees, we have changed the practice so that when the management's message is communicated at the monthly company-wide meetings, not only materials but also visuals that show the facial expressions of the speakers are projected, and depending on the content, not only the President but also the officer in charge takes the stage and gives direct explanations to employees.



November 2025 Town Hall Meeting Video



September 2026 Town Hall Meeting Video

Figure: Devising ways to send messages at company-wide meetings

Delivering the President's message at company-wide meetings has been handed down from the previous president to the new president. At the extraordinary company-wide meeting held on September 30, the new president, who took office on October 1, presented a future management policy based on the previous president's policy of “doing things right,” and conveyed his commitment to enhancing corporate value and contributing to society while engaging in direct dialogue with employees.

In addition, in order to achieve “breaking away from being ‘Mr. Nagamori’s company’” and steadily promote the Group’s transformation under the new management structure, the Company, led by the CEO, formulated the “Re-Definition Declaration,” which shows the future direction of reform and the ideal image that the Group should aim for, and announced it internally on April 1, 2026. A video was created to share the content of the declaration globally and foster a common understanding of its background and objectives. The video was presented to all executives and employees at the meeting on the same day. In addition to posting the video on the company portal website “NiDEPO,” it was distributed via e-mail to each base in Japan and overseas, as well as to group companies, to ensure continuous penetration of the content.



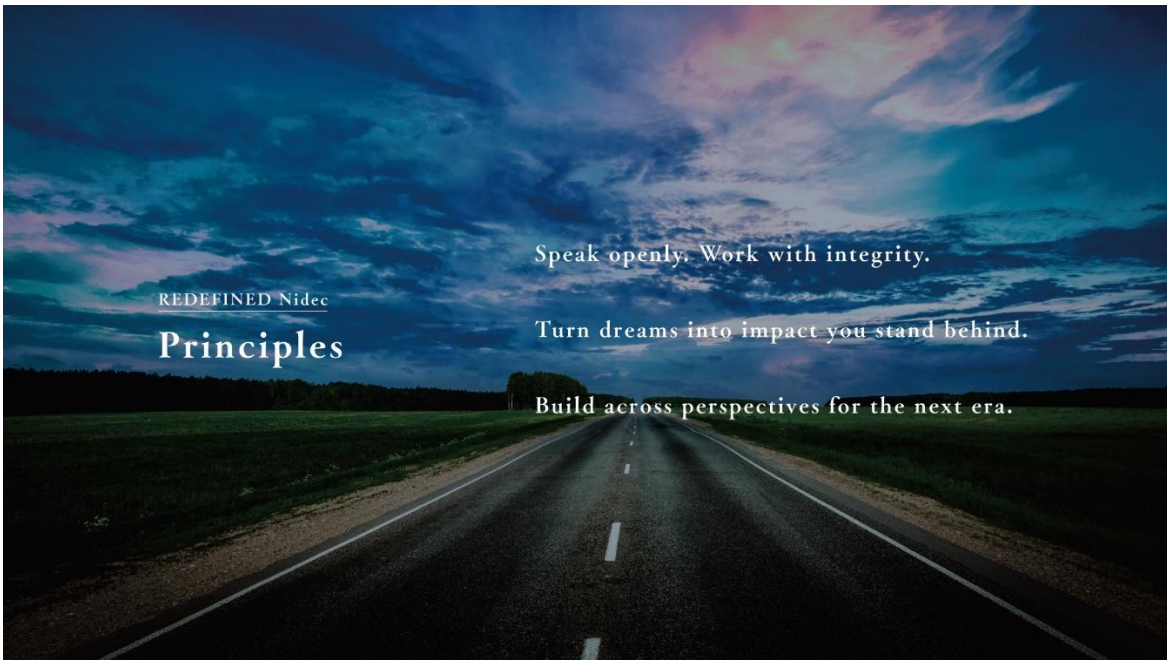


Figure: Re-Definition Declaration formulated in April 2026

Following the formulation of the Re-Definition Declaration, we held a training camp in April 2026 to share our future direction and disseminate the Re-Definition Declaration. All of our executive officers, including those from our overseas bases, participated in this training camp, and we held lively discussions on what the Group should aim for and how to reform our corporate culture in the future, while also taking a global perspective.

The above “Re-Definition Declaration” clearly states the matters we should be aware of in order to make a start toward reform. We are considering defining the social significance of the Company and the common values of all employees as purpose and values in the future, which we aim to formulate within fiscal 2026.

(v) Behavioral change by employees

We are also implementing measures that reflect the opinions of our employees. For example, with the aim of reducing the psychological burden of communication among employees and fostering a work environment in which it is easy for employees to express their opinions, we promoted efforts to call each other using the “san” suffix, regardless of job titles or positions.

In addition, by promoting the development of a work environment that responds to the voices of employees, we aim to break away from the values that place the highest priority on short-term profits and cost reductions, which have permeated throughout the Group. This also demonstrates in concrete terms the Group’s stance of valuing each individual and respecting their voices. At the same time, we are working to create a workplace environment in which employees can naturally interact and communicate with each other.

Furthermore, with the aim of further strengthening ties among employees and stimulating everyday communication, the Company held “Appreciation Week” to provide an opportunity for the Company to express its appreciation. Usually, there are few opportunities to express appreciation, but the Company aims to deepen the relationship between employees and change the way of ordinary communication by proactively providing such opportunity. As a result, we received many messages of appreciation, including one from an employee who said, “It was a good initiative as we rarely have the opportunity to show our appreciation.”



Figure: Messages of appreciation from employees at the Head Office during Appreciation Week

(vi) Activities at Head Office divisions, group companies, and companies overseas

Activities from (i) to (v) above have gradually spread to each division of the Company, group companies and companies overseas, and the Company is communicating this progress both internally and externally.

In parallel with the activities of the Culture Transformation Lab, improvement activities have begun in each division of the Company and group companies in response to issues in each workplace. Based on the opinions received from employees, our General Affairs Department has introduced a service that allows employees to purchase snacks in their offices.

Separate from the Culture Transformation Lab, the Company's Small Platform Motor & Solutions Business Unit and domestic Group companies, including Nidec Precision and Nidec Drive Technology, have started initiatives to proactively consider and implement

measures based on the issues faced by each organization and workplace in order to reform the corporate culture. These initiatives and the Culture Transformation Lab are collaborating as appropriate, and we are accelerating the promotion of mutual measures through information sharing.

In response to these efforts, some have expressed that “We have come to feel that the Company is changing because executive officers, who had little opportunity to come in contact with us in the past, have come to visit the site and talk directly with us.”

The movement toward reform is not limited to Japan but is beginning to spread globally. The human resource function, which has been managed mainly by each region and base, is now working to promote mutual collaboration on a global basis. As part of this initiative, we held an event in which personnel managers from each region and base gathered to deepen mutual understanding and exchange opinions on strengthening global collaboration in the future. In addition, by further strengthening the connection between the Culture Transformation Lab and these globally coordinated human resource functions, we will align with the human resource functions in each country and vigorously promote corporate culture reform in the human resource field.

In addition, taking this Issue as a lesson, voluntary initiatives are also being promoted at each base. For example, Nidec Automotive Motor (Zhejiang), a subsidiary in the Automotive Motor & Electronic Control segment, translated the Improvement Plan and Status Report into Chinese, recognized the Issue as an issue affecting its own site as well, and shared the contents thereof.

Furthermore, in response to the Re-Definition Declaration, Nidec Philippines, a subsidiary in the Small Platform Motor & Solutions Business Unit, formulated a base policy emphasizing correctness and quality and shifting away from a profit-driven approach. The base policy was shared at a morning meeting of the subsidiary and then distributed to each department.

(vii) Ensuring transparency of implementation status

Measures considered by the Culture Transformation Lab and implemented by each division and group companies are published on the Company's portal site "NiDEPO," where the status of consideration and the direction of response are updated in order. This enables employees to understand the status of response to their opinions, and the procedures for handling employee opinions are made more transparent. As of the end of October 2026, there were 32 measures to reform the Company's corporate culture that were published on NiDEPO, 23 were completed or in progress, 6 were under consideration, and 3 were on hold at present.

■Activity

●List of Initiatives (Updated: Oct 26, 2026)

The Lab is collaborating with relevant departments to plan and execute the following measures. Details and progress will be shared through the updates below and our News feed. "Internal Lab Experiments" involve testing new measures within the Lab; those proven effective will be rolled out company-wide.

	Scope	Initiative	Status	Progress	Start Date	Target Completion
Initiatives	Group Companies	Standardization of internal addressing (using '-san', including executives)	Completed		2026/02	2026/04
		Internal notice updates & new poster creation	Completed		2026/02	2026/04
		Executive interviews & communication	In Progress		2026/02	
		Rollout of Lab introductory video	In Progress		2026/04	
		Communication of Lab activities	In Progress		2026/02	
		Corporate culture change survey (ES, etc.)	In Progress	Survey being conducted by Global HR	2026/10 (Planned)	2026/11
		1-on-1 listening sessions	In Progress	Started in Sep	2026/09	
		Corporate culture training	Completed		2026/07	2026/07
	Headquarters	HQ 19F shredder installation	Completed		2026/05	2026/05
		Water dispenser installation (considering all floors)	In Progress	To be installed on each floor of the HQ building in two phases (Nov/Dec)	2026/06	2026/12
		• Trial run (19F)	Completed			
		• Rollout to all floors	In Progress	Awaiting delivery to each floor (split delivery in Nov/Dec)	2026/10	2026/12
		HQ break room (12F) renovation	In Progress		2026/06	
		• Addition of face-to-face table seating	Completed		2026/06	2026/06
		• Addition of standing area	Completed		2026/06	2026/06
		• Addition of indoor plants	Completed		2026/06	2026/07
		• Wi-Fi installation	Completed		2026/07	2026/08
		• Trash bin replacement (odor control)	Completed		2026/07	2026/09
		• Diffuser installation (odor control)	In Progress	Full-scale installation decided	2026/08	2026/10
		• Digital signage installation (info sharing)	Completed		2026/08	2026/09
		• Digital signage update	Under Consideration	Replacement of videos (e.g., business introductions)	2026/10	2026/11
		• Free Coffee Service	In Progress	Partially free via cup vending machine on 12F (started 10/15)	2026/09	2026/10
		Appreciation Week (Target: NCJ)	Completed		2026/07	2026/07
		Cafeteria reform	Under Consideration			
		• Microwave installation	Not Pursued	Decided not to proceed, as the cafeteria operator advised against it due to past cases of damage to its equipment	2026/10	2026/11
		Introduction of Thanks Cards	On Hold			
		Wi-Fi installation in Osaki Office common areas	Under Consideration		2026/10	
		Implementation of Casual Days	Under Consideration	Planning initiatives to re-communicate and put into practice the dress code rules issued by HR	2026/10	2026/12
	In-Lab Experiments	Exploring alternatives to abolish weekly reports	On Hold			
		Review of discouraged / recommended terms	Under Consideration			
		Team building via Lab retreat	Completed		2026/06	2026/06
		Bad News First	On Hold			
		Google account icon setup	In Progress	Setting face photos as account icons so individuals are recognizable	2026/10	2026/10
		Improving communication of Lab activities	Under Consideration	Lab activity booklets to be placed in the 12F break room	2026/10	2026/10

Figure: List of Culture Transformation Lab's initiatives on corporate culture reform published on NiDEPO

Furthermore, on July 9, 2026, we launched the Nidec Journal with the aim of continuously and transparently communicating the status of reforms, future initiatives, and their progress to external stakeholders. By continuously communicating the progress of reforms and specific initiatives through this media, we will work to promote understanding of the Group and restore and enhance trust.

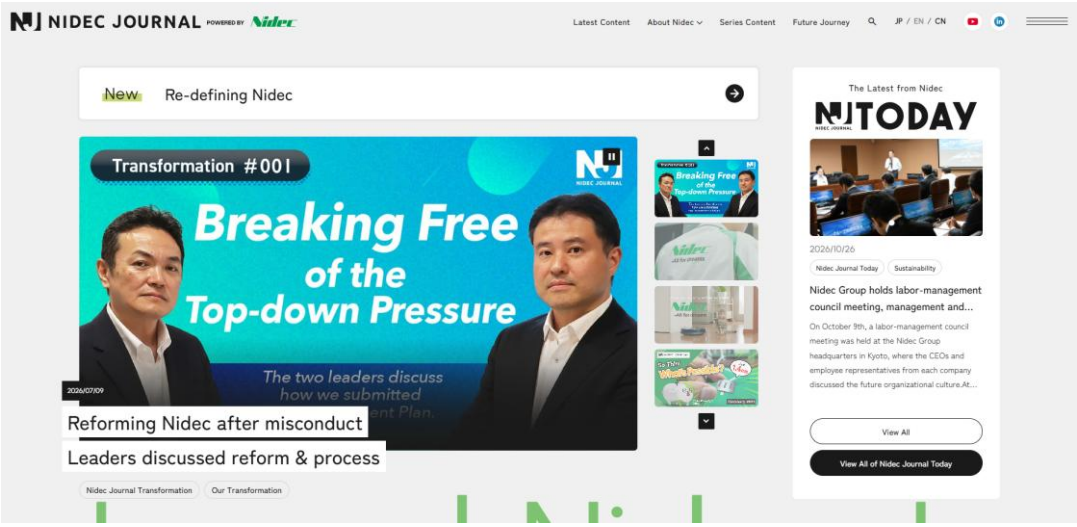


Figure: Nidec Journal launched in July 2026

In this way, the Group is advancing a variety of initiatives aimed at reforming its corporate culture, and although the number is limited at present, the voices of employees who can feel the changes and specific cases are gradually starting to emerge.

Some employees have commented, "I can see what the Company is working on more than before, and I have high expectations for future reforms because changes are beginning to occur in our immediate surroundings."

However, while various measures have been taken to reform the corporate culture, there have been changes in the awareness and behavior of some officers and employees, but these

changes have not yet been fully disseminated and established among all officers and employees. At workshops, some participants said that they were aware of the activities of the Culture Transformation Lab, but they did not feel that their workplace or company had changed. We recognize that the changes currently taking place are only at the stage where some workplaces and employees are beginning to feel the signs of change, and that there are still many employees who are not experiencing concrete changes in the field.

In order to prevent this misconduct from being forgotten, the Company has designated October 28, the day on which it was designated as a Security on Special Alert, as "Forward," and during the week following October 28, efforts are made to prevent both the accounting and quality misconduct from being forgotten, and to provide each division with the opportunity to proactively think about the activities it should undertake in its own workplace. Through this initiative, we aim not only to send a message from the management, but also to make the corporate culture reform rooted in our daily work and workplaces, rather than as a one-time event, by having employees on the front lines reflect on the Issue and consider and implement specific actions to address and improve the issues of their own divisions.

Recognizing that changes to the Group's corporate culture have only just begun, we started an engagement survey in October 2026 to quantitatively assess employee awareness and the actual situation in the workplace. Although there have been cases in the past in which each company individually conducted an engagement survey, this is the first time that the entire Group has implemented a unified global engagement survey.

In the future, we will analyze the results of the survey and formulate improvement activities to address the issues that have become apparent. We will also continue to connect the opinions we receive from employees to specific measures and present the progress and results to employees.

At the Group, management is taking the lead in showing a willingness to make changes. We are encouraging each and every employee to think and act on their own initiative, and both management and employees will steadily make efforts to reform our corporate culture. In

addition, we will not regard these efforts as temporary measures but will continue to verify the implementation status and effects of each measure, and based on the results, we will make necessary revisions and improvements. By continuing to build on these initiatives, we will lead to changes in the awareness and behavior of each and every employee, establish them throughout the organization, and promote reform of the corporate culture of the entire Group.

(8) Restructuring the group governance system

[Improvement actions]

Previously, the Company did not have a system in place that allowed for a comprehensive and systematic understanding of the companies under its Group umbrella from a supervisory perspective. It also did not clarify the basic principles for supervising Business Units or domestic Group companies, or the organizations and legal entities under them.

As a result, the management responsibilities of each Business Unit and domestic Group company for their subsidiaries became ambiguous, and horizontal supervision by the second line divisions (organizations that provide management functions in the Company and each region) was weak. There were also variations and omissions in the level of control and procedures across the Group companies.

In light of the fact that governance in the Group has not been systematically developed and therefore has not been functioning sufficiently, the Group will implement the following measures with the aim of restructuring the group governance system.

Formulation and development of a Group Governance Policy

As mentioned above, the Company did not have clearly stated basic principles for supervising each Business Unit, domestic Group company, and the organizations and legal entities under them.

Going forward, we will formulate a Group Governance Policy as a set of basic principles that present our approach to governance that applies to the entire Group, and will develop and disseminate it throughout the Group. Specifically, the Company will formulate and develop a Group Governance Policy that includes the following perspectives.

- A Business Unit or domestic Group company is responsible for the management and supervision of its affiliated organizations and legal entities.
- The second line divisions (organizations that provide management functions in the Company

and each region) are responsible for and have the authority to introduce a certain level of supervisory and check functions necessary to conduct proper business in the Business Units, domestic Group companies, and the organizations and legal entities under them.

- Business Units, domestic Group companies, and the organizations and legal entities under them shall comply with the Company's rules for prior approval and subsequent reporting, which are specified separately, regarding important decisions, etc.

Improvement measure	Restructuring the group governance system
Department in charge	Office of the President
Regulations subject to maintenance	Group Governance Policy
Completion date of maintenance	Formulation and development of a Group Governance Policy: June 2026
Start date of operation	Formulation and development of a Group Governance Policy: July 2026
Methods of raising awareness	Announcement and communication of the Group Governance Policy to each organization and corporation
Frequency of implementation	-
Monitoring status	Results of dissemination of the Group Governance Policy (content of reports at meetings of each organization and corporation, etc.)
Cause item number (reference)	(5)(6)

[Improvement status]

In April 2026, we formulated and rolled out across the Group a Group Governance Policy as a set of basic principles setting out the Group's approach to governance applicable to the entire Group.

In April 2026, we formulated a list of decision-makers for matters requiring approval based on the Group's global standards and clarified the rules for obtaining the Company's approval in advance for important investment and expenditures above a certain amount made by each corporation in the Group.

The Group Governance Policy and other regulations that should be communicated to all group companies (hereinafter collectively referred to as "Group Policies") were not only

communicated to each company through announcements but also posted on the Company's portal site "NiDEPO," which can be accessed by group companies. In addition, the departments in charge of formulating and issuing the respective regulations took the lead in awareness-raising activities such as briefing sessions and video streaming of the explanations. In addition, the Company confirms (through a questionnaire) the understanding of the necessity of raising awareness of the Group Policies by each executive officer and manager in charge of raising awareness of the rules, etc. at each corporation, and encourages them to raise awareness of the Group Policies at all group companies.

An overview of the briefing sessions and video streaming conducted for each Group Policy is as follows.

#	Group Policy	Methods of raising awareness	Target	Timing of implementation
1	Business Plan Management Policy	Explanatory meetings	Management and planning staff in Business Units and domestic Group companies	January 15, 2026 (for management) January 19-23, 2026 (for staff)
2	Medium-term Management Plan Formulation Policy	Explanatory meetings (for business domains) and distribution of explanatory materials	Medium-term management plan formulation staff in Business Units and domestic Group companies	June 10, 2026 (explanatory meeting) July 15, 2026 (distribution of explanatory materials)
3	Basic Regulations on Global Trade Management	Human Resources Department of each company disseminates explanatory materials to target individuals	Persons in charge of trade control, compliance managers and promoters at each company	March 3, 2026 (Group Compliance Liaison Meeting) Around May 12, 2026 (disseminated by Human Resources Department of each company)
4	NIDEC Global Legal Regulations	Group Compliance Liaison Meeting (domestic Group companies) or disseminate explanatory materials through the Regional Compliance Officers (overseas Group companies)	Compliance managers and promoters at each company	March 3, 2026 (Group Compliance Liaison Meeting)
5	NIDEC Global Compliance Regulations	Group Compliance Liaison Meeting (domestic Group companies) or disseminate explanatory materials through the Regional	Compliance managers and promoters at each company	March 3, 2026 (Group Compliance Liaison Meeting)

		Compliance Officers (overseas Group companies)		
6	Group Governance Policy	Video streaming and distribution of explanatory materials via e-mails	All employees of the Group	May 8, 2026
7	Group Policy (Rules for Approvals) and List of Decision-Makers for Matters Requiring Approval	Explanatory meetings and distribution of explanatory materials	Approval Process Secretariat of each Business Unit, CFOs and General Managers of General Affairs Department of domestic Group companies	February 4, 2026, March 25, 26 and 30, 2026 (SPMS/AMEC Approval Process Secretariat, AAD/MOEN executives and expatriates, CFOs and General Managers of General Affairs Department of domestic Group companies) Re-notified via e-mail on May 21, 2026
8	Group Accounting Regulations	Explanatory meetings (for Business Units and domestic Group companies), shared recording of explanatory meetings (for other group companies), distribution of explanatory materials	CFOs and accounting managers of each Business Unit and company	June 2, 2026 (explanatory meeting for Business Units and domestic Group companies, recording shared with other group companies)
9	NIDEC Basic Policies for Global Risk Control	Explanatory meetings, video streaming, distribution of explanatory materials	Risk Management Office of Business Units and domestic Group companies	A total of 14 meetings were held from May to June 2026
10	Global Quality Assurance Basic Regulations (Machinery & Automation Business and Component Business)	Distribution of the regulations and explanatory materials via e-mails and conducting explanatory meetings	Quality assurance managers of Business Units and domestic Group companies	August 7, 2026 (policy explained at the Quality Assurance Regular Meeting), September 15, 2026 (explanatory meeting for quality assurance managers overseas), September 17, 2026 (explanatory meeting for domestic quality assurance managers)

(9) Enhancement of compliance education

[Improvement actions]

Under excessive pressure, it seems that within the Company a corporate culture in which some officers and employees give strict instructions to group companies to achieve profit targets, and officers and employees of group companies, etc. who repeatedly receive such instructions give top

priority to achieving short-term profit targets has been nurtured. Therefore, it is important to foster an awareness that compliance is a major prerequisite for business activities and is the top priority. The Company will implement the following measures.

(i) Enhancement of compliance education for new hires and regular learning program

In the past, when new employees joined the Company, emphasis was placed on education regarding the Company's thinking toward corporate growth and the Company's unique manners required for performing internal work. In addition, although face-to-face compliance learning program was conducted when new graduates joined the Company, in the learning program for new managers, only listening to materials in which audio was inserted into PowerPoint materials was conducted. In addition, compliance learning program itself was not conducted for mid-career recruits.

Therefore, since January 2026, we have been providing a face-to-face or an online compliance learning program for mid-career employees who join the Company every month. In addition, we will conduct a face-to-face or an online compliance learning program in the learning program for new managers in fiscal 2026.

Learning program content for mid-career hires includes communication of messages from the Board of Directors and the President, and explanations of the Nidec Group's global compliance system, regulations, and systems (including anti-bribery, whistle-blowing systems, and trade management), introducing past examples of improprieties within the Nidec Group (inappropriate accounting, harassment, etc.), and future initiatives such as corporate culture reform. The aim is to deepen understanding of the Nidec Group's global compliance system, etc., and to foster an awareness of compliance as a personal matter in order to avoid committing a compliance violation or causing anyone else to do so.

In addition, for Vice Presidents of the Company and executive officers of the domestic Group companies, we will make use of the gathering learning program held around February every year to disseminate and thoroughly implement compliance so as to foster an awareness of compliance as the top priority. In the fiscal 2025 collective learning program (held on February 10, 2026), we conducted a compliance learning program based on the FIR Issue by experts in international trade law and customs law who were commissioned to investigate the FIR Issue. All 112 individuals attended this program.

(ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue

In March 2026, with the aim of preventing the recurrence of inappropriate actions in each department, including Group companies related to the improper accounting, an e-learning program

was held for about 12,000 executives and officers and employees engaged in accounting, purchasing, production management, and sales to implement a sincere attitude toward investors and markets, ensure appropriate financial reporting, and improve their understanding and awareness of compliance, using an actual case of improper accounting as a topic.

In addition, with the aim of continuing to maintain compliance awareness throughout the Group, from around July 2026, we will inform our employees of the background, causes, lessons learned, etc. of this Issue through online compliance education based on this Issue. We believe that this will also contribute to the thorough implementation of sincerity toward investors and the market, as proposed by the third-party committee.

Improvement measure	Enhancement of compliance education
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Enhancement of compliance education for new hires and regular learning program: March 2026 (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: July 2026
Start date of operation	(i) Enhancement of compliance education for new hire and regular learning program: April 2026 (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: July 2026
Methods of raising awareness	(i) Company intranet (ii) Compliance training based on this issue
Frequency of implementation	(i) Enhancement of compliance education for new hires and regular learning program: Regular learning program at least once a year (ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue: Incorporate it in the online learning program throughout the Group
Monitoring status	-
Cause item number (reference)	(2)

[Improvement status]

(i) Enhancement of compliance education for new hires and regular learning program

With regard to the learning program for newly appointed managers, as planned under the Improvement Plan, a series of learning programs were implemented with the aim of enabling managers to correctly understand the roles expected of them and to establish a

practical foundation for management. As part of these programs, a compliance learning program for newly promoted managers was held online in June 2026.

In the compliance learning program, participants learned the roles expected of managers from the perspective of compliance and other important topics to which managers should pay particular attention, including the importance of understanding not only their own duties but also the overall situation of the Company and their respective departments, what their teams should be doing, and the importance of communication to ensure that teams function effectively, thereby seeking to enhance their compliance awareness as managers.

(ii) Thorough compliance education throughout the Group and continuous dissemination of this Issue

With the aim of continuously maintaining compliance awareness throughout the entire Group, in July 2026, we conducted compliance education through e-learning for all officers and employees of the Group, covering the background, causes, lessons learned, etc. of this Issue.

(10) Review of personnel evaluation system

[Improvement actions]

In 2020, we revised our personnel evaluation system for employees with the aim of creating a strong company and organization with a thorough focus on actual capabilities and results and a constant sense of tension. Before the revision, the "Performance Evaluation," which evaluates the degree of achievement (results) toward individual goals, and the "Nidec Way Behavior Evaluation," which evaluates the degree of implementation of expected behavior based on the Nidec Way Code of Conduct, were separate evaluation items. However, they have been integrated into a "Comprehensive Evaluation," which comprehensively evaluates the degree of contribution to the organization. As a result, the system has been changed to place greater emphasis on the contribution to the organization's performance, even with the same degree of achievement. In addition, the Company has made it mandatory to assign high and low ratings

within strict regulations on relative evaluations, and has set a maximum fivefold difference in the amount of bonuses between high- and low-rated employees at the general manager level. Similar systems have been introduced in stages at Japanese subsidiaries in the Nidec Group. Furthermore, while the Company repeatedly shared the message that "those who make profits are the most appreciated," there was insufficient learning program regarding the personnel evaluation system for evaluators, and due to lack of understanding of the personnel evaluation system by evaluators, the Company fell into a situation where it was not being operated appropriately. As a result, the Company believes that the corporate culture of prioritizing short-term profits has been strengthened, and the awareness of overemphasizing business performance has been promoted.

Therefore, we will implement the following measures from the perspective of the personnel evaluation system, with the aim of correcting the awareness of prioritizing short-term profits and instilling an awareness and corporate culture of always prioritizing "what is right."

(i) Setting targets other than performance, and thorough evaluation

In addition to the current evaluation items of "short-term results," "results that lead to the future (structures and processes)," and "results that lead to the future (strengthening of human resources)," "organizational management (human resources development, capability development, organizational development)" has been added as a goal setting item for managers from a compliance perspective, and it has been implemented since April. In this way, the Group will thoroughly set targets to take correct actions from a compliance point of view. At the same time, we are gradually reviewing the current system that may have promoted short-term results based on strict regulations on relative evaluations and wide disparities in compensation. In fiscal 2027, we will add a behavior evaluation in line with the purpose and values to be newly formulated. We will continue to improve the evaluation system so that it will lead to the growth of both employees and the organization, so that employees will want to continue working in the Nidec Group.

(ii) Implementation of measures to improve understanding of the system

In order to promote understanding of the human resources evaluation system, on April 1, 2026, the Company revised the handbook that organizes evaluation perspectives and target-setting methods. In addition, to ensure the proper operation of human resources evaluations, a briefing session for all employees of the Company was held in March 2026 and a target-setting learning program for managers of the Company was held in April. Furthermore, briefing sessions for employees and target-setting learning programs for managers will be held in April at domestic Group companies.

To continuously check whether human resources evaluations are conducted appropriately after the completion of such evaluations, the Company established a monitoring mechanism using questionnaires, etc. Based on the results, the Company will consider and implement improvements to the systems and operation methods as necessary.

Moreover, based on the evaluation results, if a compliance violation or unethical behavior is revealed, the Company will implement measures, such as using the information as a basis for making decisions on the assignment and promotion of the relevant employees and providing educational training opportunities for the relevant employees and reviewing the relevant HR systems.

Improvement measure	Review of human resources evaluation system
Department in charge	Human Resources Department
Regulations subject to maintenance	Human Resources Evaluation Rules
Completion date of maintenance	(i) Setting targets other than performance, and thorough evaluation: March 2026 (ii) Implementation of measures to improve understanding of the system: March 2026
Start date of operation	(i) Setting targets other than performance, and thorough evaluation: April 2026 (ii) Implementation of measures to improve understanding of the system: April 2026
Methods of raising awareness	Internal notice and human resources evaluation learning program
Frequency of implementation	(i) - (ii) Twice a year: Before evaluation (April and October)
Monitoring status	Checked by Human Resources Department based on evaluation results
Cause item number (reference)	(2)

[Improvement status]

(i) Setting targets other than performance, and thorough evaluation

Regarding the review of personnel evaluation system, in addition to the revision of the Human Resources Evaluation Rules and the handbook and a review of goal-setting items for managers in April 2026, we plan to include a behavior evaluation in fiscal 2027, in line with the purpose and values to be newly formulated. The specific details of this behavior

evaluation will be considered based on the purpose and values to be formulated in the future.

At the same time, we have decided to introduce a global personnel system and are preparing to do so in order to centralize the management of human resources information and strengthen personnel evaluation and employee training. The system is scheduled to be implemented in Japan in April 2028. Furthermore, regarding the strict requirements governing the distribution of relative evaluations, we have revised our operational approach to allow for evaluations tailored to the situation of each organization, provided that the distribution ratio itself remains unchanged and the composition of the number of people in each evaluation category is not changed. We are conducting a phased review of systems where there are significant disparities in compensation. The disparity in bonuses, for general managers, which had been as high as fivefold, was reduced to a maximum of fourfold for this summer's bonuses, and we plan to reduce it further to a maximum of threefold for the next winter bonuses.

(ii) Implementation of measures to improve understanding of the system

In March 2026, we held a briefing session for all employees of the Company to ensure the proper operation of human resources evaluations. We also held a target-setting learning program for evaluators in April 2026 and an evaluator learning program in September 2026. Domestic Group companies also held briefing sessions for employees and learning programs for evaluators in April and September 2026. In the target-setting learning program in April 2026 and the evaluator learning program in September 2026, participants addressed the roles required of evaluators and feedback on evaluation results, in addition to the concept of appropriate target-setting, the purpose of evaluation systems, and methods of implementing fair, open, and impartial evaluations. At the same time, targets related to compliance, which were essential when managers set their targets, were included in the contents of the learning programs. The contents require managers to focus not only on

business performance but also on compliance, and to always prioritize the right thing when making decisions and taking action. In addition, we implemented a rank-based learning program for managers of the Company, which we had not been able to implement in recent years, in order to reconfirm their roles as managers and raise awareness of human resources development and organizational management. For department managers, the "Organizational Culture Diagnosis" was used to analyze the issues of their own organizations and formulate workplace action plans. For group leaders and team leaders, the "Leadership Diagnosis" was used to identify their own strengths and issues and provide practical information on organizational management and human resources development.

In addition, in order to continuously monitor whether personnel evaluation was being conducted appropriately, from May to June 2026, the Company confirmed on a sampling basis whether targets were being set in accordance with the current fiscal year's target-setting policies for evaluation sheets in group companies, and made revisions as necessary. At the same time, we worked to ensure the thorough operation of the system by confirming the goal setting and weight allocation of managers at each group company, verifying whether the system was consistent with the policies established by the Group, and urging the Human Resources Department to correct employees who were not operating it properly. In December 2026, we will also conduct a questionnaire survey on target setting and evaluation interviews to confirm that the evaluation is being conducted in line with the purpose of the evaluation scheme. Based on the results of the survey, we will consider and implement improvement actions of the scheme and its operation as necessary.

(11) Improving the effectiveness of the Board of Directors and the Audit and Supervisory Committee

[Improvement actions]

At the Company, due to the concentration of authority on Mr. Nagamori, there were cases in which the intention of Mr. Nagamori was prioritized in making important decisions, and material

risk information and the status of the progress of the business plan were not sufficiently communicated to the Board of Directors and the Audit and Supervisory Committee. Thus, the concentration of authority on Mr. Nagamori had an adverse effect on the supervisory functions of the Board of Directors, etc.

Looking at the composition of the outside directors, academic experts and former government officials were the main members, and it was not necessarily a composition in which consideration could be conducted from a more multifaceted perspective with a background of diverse expertise, including individuals with experience in managing listed companies and accounting experts.

As described above, it is difficult to say that the Company was in a system in which the checks and balances by the Board of Directors and the Audit and Supervisory Committee function sufficiently, and rather, it could be said that the governance was weak. In light of this, the Company will implement the following measures.

Moreover, after retiring as Representative Director in December 2025, Mr. Nagamori also resigned as Chairman Emeritus in February 2026 and resigned from all positions at the Company. Mr. Nagamori will no longer be involved in the management of the Company. As a shareholder of the Company, Mr. Nagamori will be treated equally with other shareholders.

(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets

Although the Board of Directors' Regulations stipulate the "compilation of annual business plans" as a matter to be submitted to the Board of Directors, in fact, there were cases where business plans were not submitted to the Board of Directors at the time of formulation. As a result, the Board of Directors was unable to confirm or discuss the appropriateness of the target setting.

As pointed out in the third-party committee's investigation report, there are certain limitations on outside directors' ability to judge the appropriateness of the details of individual businesses and business plans. However, revealing the business plan formulation process to outside directors can effectively function as a deterrent to a certain extent against top-down target setting and the formulation of plans that are extremely difficult to achieve.

In the future, the Board of Directors will supervise the business plan and performance targets, focusing on the rationality of the assumptions on which the plan is based, the appropriateness of risk recognition, and the soundness of the review process for setting targets. The Company will work to improve the effectiveness of the supervisory function regarding the appropriateness of performance targets.

In addition, the Board of Directors will regularly follow up on the progress of the business

plan and discuss the necessity of revising the targets.

To be more specific, in order to formulate the business plan and follow up on the progress of the plan, we revised the Board of Directors' Regulations in March 2026. In addition to organizing the matters to be discussed by the Board of Directors related to the business plan, we formulated the "Board of Directors Deliberation Schedule" with the approval of the Board of Directors and established a mechanism for deliberating the business plan in Board of Directors Meetings.

Furthermore, based on the opinions from outside directors that the information provided to the Board of Directors in formulating the business plan was only abstract and that more specific information should be provided, in the future, when discussing the business plan formulation at Board of Directors Meetings, the Company will not only present a numerical plan, but will also require the executive side to clearly explain (a) the assumptions of the business plan, (b) the growth scenarios that are the pillars of the business strategy, and (c) information on uncertainties that may cause deviations in the business plan, including the review process. We believe that this effort will lead to the improvement of the information that the outside directors receive and contribute to "strengthening of the functions of outside directors" proposed by the third-party committee.

(ii) Establishment of a system for sharing important risk information and strengthening supervisory functions

Previously, the Board of Directors' Regulations did not clearly specify the requirement that material risk information reported to the Board of Directors include misconduct or compliance violations, with the exception of "important business lawsuits" and "important business disputes." Material risk information was not sufficiently reported to the Board of Directors, including outside directors, and as a result, it was not sufficiently deliberated. For example, the Risk Management Committee and the Compliance Committee reported to the Board of Directors once a year. However, these reports only provided a general overview of the Group's policies and activities, and there was no discussion on specific risk information.

We recognize that the quality of information provided to the Board of Directors is also important, but we have not been able to secure sufficient opportunities for outside directors to be exposed to high-quality information in the past, such as opportunities to share issues from the second- and third-line divisions and opportunities to exchange opinions with on-site representative-level employees.

In the future, we will clearly define the definition of material risk information that should be reported to the Board of Directors and the criteria for determining the necessity of reporting and review the Risk Management Regulations and Crisis Management Regulations. We will

establish a system to ensure that material risk information is reported to the Board of Directors by stipulating in the Board of Directors' Regulations that if a material risk information that should be reported to the Board of Directors is detected in the risk information grasped by the Risk Management Committee, the Compliance Committee, or the Chief Compliance Officer (CCO), the relevant material risk information will be reported to the Board of Directors.

Moreover, based on the recommendations from the third-party committee, information on important risks identified by the second- and third-line divisions will be shared with outside directors in forums where outside directors regularly exchange opinions with the second- and third-line divisions, and we will thereby promote substantive discussions. In relation to this, we will develop a mechanism for reporting important risk information identified by budget vs. actual performance management and performance analysis and the accounting department (CFO line) to the Executive Management Meeting and Board of Directors.

Furthermore, given that the third-party committee and outside directors have pointed out that it is important to enhance opportunities to exchange opinions with the execution side, in order for outside directors to more specifically grasp the actual status of the risks and issues faced by the Company, we will promote the enhancement of an environment that will make it easier for outside directors to obtain the information they need in a timely manner, such as by creating opportunities for outside directors to exchange opinions with on-site employees.

In parallel with strengthening the supervisory functions of the Board of Directors, we will also review the nature of the Executive Management Meeting. The Executive Management Meeting will serve as a venue to comprehensively discuss important operational risks and management issues. In addition, considering how outside directors expressed the view that it is important to share the risks discussed in Executive Management Meetings with the Board of Directors, and that such sharing would be useful for enhancing the Board of Directors' monitoring functions, the results of the discussions in the Executive Management Meeting will also be shared with the Board of Directors to make enforcement more transparent and disciplined. The Company will also ensure that the Audit and Supervisory Committee members are able to attend Executive Management Meetings as observers, and utilize this as an opportunity to directly grasp the status of deliberations on the executive side and important risk information.

We believe that improving the quality of information that the outside directors receive through these efforts will contribute to the "strengthening of the functions of outside directors" proposed by the third-party committee.

In addition, the Company has decided to regularly provide opportunities for outside directors to exchange opinions for the purpose of improving the effectiveness of supervision by ensuring

the outside directors are aware of material risk information, etc.

(iii) Improving the effectiveness of the Audit and Supervisory Committee

With regard to the provision of information from the Corporate Administration & Internal Audit Department to the Audit and Supervisory Committee, previously, only reports on the results of internal audits concerning J-SOX (once a year) and reports on important matters (such as reports on the results of special investigations ordered individually) were made on a case-by-case basis. In addition, regular meetings were held with the accounting auditor, including reviews of the results of annual audits. While communication between the Audit and Supervisory Committee and Corporate Administration & Internal Audit Department and between the Corporate Administration & Internal Audit Department and the accounting auditor was taking place, there was not sufficient regular communication among the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and the accounting auditor, where all three parties were present.

In the future, the Corporate Administration & Internal Audit Department will regularly report to the Audit and Supervisory Committee on the results of internal audits (details of audits, summary of results, major findings, etc.) (four times a year; the most recent report was made in the Audit and Supervisory Committee meeting held on April 22, 2026), and the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and accounting auditor will hold regular meetings to exchange opinions (four times a year; the most recent meeting was held on April 22, 2026) for the purpose of sharing control issues, etc. In addition, as part of the Audit and Supervisory Committee audits (operational audits), we will strengthen the exchange of opinions with the Members of the Board of Directors and Vice Presidents (exchanged opinions with the CLO on February 7, and most recently with the Acting CFO on April 4, 2026), and expand opportunities for the Audit and Supervisory Committee to understand operational risks. In particular, we believe that holding an exchange of opinions among the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and accounting auditor will lead to the development of a system in which outside directors who are Audit and Supervisory Committee Members can cooperate with internal and external supervisory and check-and-balance functions, and contribute to the “strengthening of the functions of outside directors” proposed by the third-party committee.

(iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors

Previously, the outside directors of the Company were composed of academic experts, former government officials and lawyers, and those with experience in management of listed companies

or accounting experts were not selected. In this regard, in order to better understand the risks associated with setting targets that are difficult to achieve, the risks of accounting fraud and other risks, it is desirable to appoint an outside director with diverse expertise, including those with management experience and accounting experts. In addition, no director in charge of administration had been assigned among the internal members of the Board of Directors, and it was not possible to raise the issue sufficiently from the risk management side.

Therefore, the Nominating Committee has clarified the requirements for the composition of the Board of Directors to ensure that the Board of Directors is capable of exercising the supervisory function from a wider perspective. Specific requirements for the composition of the Board of Directors include, in the case of an outside director, consideration of the appointment of professionals with diverse expertise, including those with experience in management of listed companies or accounting experts, etc., and in the case of an internal director, consideration of the appointment of a Vice President in charge of administration, for example, a CFO, etc. In the future, we will promote candidate selection based on these requirements.

(v) Enhancing the system to support outside directors

From the perspective of creating an environment in which outside directors can obtain the information they need in a timely manner and make decisions based on key points, we will strengthen the functions of the Secretariat of the Board of Directors so that management issues and important risk information discussed by the Executive Management Meeting can be examined and reliably shared with the Board of Directors.

In addition, as part of our support function for outside directors, we will improve the environment including the Secretariat of the Board of Directors serving as a contact point for accessing outside experts when outside directors request the use of outside experts.

Moreover, outside directors proposed that, in addition to environmental improvements such as the strengthening of the Board of Directors Secretariat, the Company should provide information and lectures from the execution side upon outside directors' appointment (such as the provision of information on significant misconduct in the past, material risk issues that currently exist, and the status of the Company's internal controls). In response, the Company will consider providing such information from the execution side as support when outside directors assume office.

By providing the necessary support for outside directors' activities through these efforts, we believe that we will contribute to the "strengthening of the functions of outside directors" proposed by the third-party committee.

Improvement measure	Improving the effectiveness of the Board of Directors and the Audit

		and Supervisory Committee
	Department in charge	General Affairs Department, Sustainability Promotion Department, Corporate Administration & Internal Audit Department
	Regulations subject to maintenance	The Board of Directors' Regulations, Risk Management Regulations, Crisis Management Regulations, Internal Auditing Regulations, etc.
	Completion date of maintenance	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: March 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: May 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: June 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: June 2026 (v) Enhancing the system to support outside directors: June 2026
	Start date of operation	(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets: April 2026 (ii) Establishment of a system for sharing important risk information and strengthening of supervisory functions: May 2026 (iii) Improving the effectiveness of the Audit and Supervisory Committee: July 2026 (iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors: July 2026 (v) Enhancing the system to support outside directors: July 2026
	Methods of raising awareness	The revised Regulations are disseminated through the Company portal. Internal briefings regarding the Risk Management Regulations and Crisis Management Regulations are held.
	Frequency of implementation	-
	Monitoring status	Operation to be confirmed in the evaluation of the effectiveness of the Board of Directors and the Audit and Supervisory Committee.
	Cause item number (reference)	(1)(2)(3)(4)

[Improvement status]

(i) Improving the effectiveness of the Board of Directors' oversight of the appropriateness of performance targets

In order to formulate the business plan and follow up on the progress of the plan, we revised the Board of Directors' Regulations in March 2026. In addition to organizing the matters to be discussed by the Board of Directors related to the business plan, we formulated the "Board of Directors Deliberation Schedule" with the approval of Board of Directors and established a mechanism for discussing the business plan in Board of Directors meetings.

Based on these, the business plan for fiscal 2026 was submitted to the Board of Directors meeting on March 31, 2026 for deliberation and resolution. At the Board of Directors meeting, discussions were held on the incorporation of management risks and the evaluation of the plans formulated with a focus on bottom-up information from each business.

The explanation from the executive side to the Board of Directors regarding the development of the 2026 business plan included the following:

- Rather than being given targets, each Business Unit and domestic Group company set its own targets and formulated plans taking into account the risks faced by each business and seasonal factors.
- Some risks, such as the conflict in the Middle East, whose effects were difficult to predict at the time of the explanation, and certain effects of the business structure transformation and base reorganization, which were scheduled to be considered, were not included. Therefore, their effects and risks will be identified during the period, and the outlook and plan will be reviewed as necessary.
- A realistic profit and loss plan was formulated based on the assumption that appropriate accounting treatment would be applied.
- Instead of pursuing short-term profits, targets were set for efforts to address management issues from a medium- to long-term perspective (medium- to long-term measures include “shifting to growth markets,” “shifting to higher value-added products and non-price competition,” etc.)

Follow-up reports on the progress of the business plan for April 2026 were made at the Group Executive Management Meeting on May 29, 2026 and the Board of Directors meeting on June 3, 2026, and for May 2026 were made at the Group Executive Management Meeting on June 24, 2026 and the Board of Directors meeting on July 8, 2026.

With regard to reports for June 2026, the actual results for the first three months of the fiscal year ending March 2027 and forecasts for the second and subsequent quarters based primarily on financial results of business divisions were reported to the Group Executive Management Meeting on October 21, 2026, and will be reported to the Board of Directors on November 5, 2026. As soon as it becomes possible to conduct budget vs. actual performance management based on financial results consistent with those for accounting closing, we plan to do so in the normal reporting cycle.

(ii) Establishment of a system for sharing important risk information and strengthening supervisory functions

In May 2026, we reviewed our Risk Management Regulations and Crisis Management Regulations and clearly defined the definition of material risk information that should be reported to the Board of Directors and the criteria for determining the necessity of reporting. In addition, in March 2026, we revised the Board of Directors' Regulations and established a system to ensure that material risk information is reported to the Board of Directors by stipulating that if a material risk information that should be reported to the Board of Directors is detected in the risk information grasped by the Risk Management Committee, the Compliance Committee, or the Chief Compliance Officer (CCO), the relevant material risk information will be reported to the Board of Directors.

Under the Company's risk management framework, an executive officer is assigned responsibility for each of the 55 risk categories, based on the nature of the relevant risk event. If a risk event occurs, the relevant executive officer responsible for that category is expected to lead the response, including making any necessary reports. With respect to current material risk incidents, including improper accounting practices, quality-related misconducts, and tariff-related issues, dedicated response frameworks have been established for each incident. The respective executive officers responsible for these matters report to management and the Board of Directors on the status of the risk, the response policies, and the progress of the response.

In contrast, the Risk Management Committee serves as a Company-wide function for coordinating and facilitating cooperation in responding to risks. The secretariat of the Risk Management Committee, namely the Risk Management Office, is expected to facilitate and coordinate cross-departmental cooperation and provide consolidated reports to the Board of Directors.

In addition, as a supplementary reporting route to the reporting by the responsible executive officers described above, if the Risk Management Committee detects a risk for which responsibility is unclear and no person has been designated to respond, the Risk Management Committee is expected to report the matter to the Board of Directors on its own initiative.

Furthermore, the secretariat of the Risk Management Committee, namely the Risk Management Office, also undertakes initiatives to establish and provide an environment in which the responsible executive officers can appropriately escalate relevant matters.

In addition, the Risk Management Committee is responsible for monitoring the status of responses to material risks on a Company-wide basis, analyzing trends, and evaluating and making recommendations regarding the risk management framework. The Risk Management Committee plans to report on these matters to the Board of Directors within the current fiscal year.

During the period up to the submission date, reports to the Board of Directors on important risks and incidents were made by the executive officer in charge, as described above. There was no report from the Risk Management Committee or the Compliance Committee on matters corresponding to important risk information.

In addition, under the new Board of Directors structure, the number of extraordinary Board of Directors meetings has increased as have the number of agenda items and the time spent on deliberations. As a result, it was difficult to secure the date for the meeting to exchange opinions between department heads of the Head Office's administrative divisions and outside directors to share information on issues and important risks identified by the

second- and third-line divisions, and therefore we were not able to hold the meeting as originally planned. On the other hand, efforts to share issues identified by the second- and third-line divisions with outside directors are being made to a certain extent, as the head of the second-line division responsible for drafting the relevant materials shared the understanding of the issues with outside directors at Board of Directors briefing sessions, and the Audit and Supervisory Committee conducted interviews with the heads of the second- and third-line divisions (see the table below).

Date (2026)	**Department name**	**Interviewees**
May 27	Corporate Management Department	Officer in charge and general manager
July 9	General Affairs and Sustainability Management Department	General manager and group leader
July 10	Corporate Administration & Internal Audit Department	General manager
July 15	Culture Transformation Lab	Chief and leader
July 23	Human Resources Department	General manager and group leader
August 19	Corporate Communication Department	General manager
August 20	Group Companies Business Management Department	General manager and group leader
August 24	Compliance Department	Officer in charge and group leader
August 26	Finance Department	General manager and group leader
October 6	Office of the President	Officer in charge and general manager in charge
October 7	Global Quality Management Headquarters	Officer in charge and general manager
	Accounting and Tax Department	General manager

The first meeting to exchange opinions between department heads of the General Affairs and Sustainability Management Department, the Legal Department, the Information Systems Department, and the Corporate Administration & Internal Audit Department was held on October 29, 2026. In principle, we will continue to hold these meetings quarterly.

Furthermore, the status of important risk information confirmed by the accounting department (CFO line) was reported to the Group Executive Management Meeting on August 26, 2026. We will continue to report quarterly.

On October 1, 2026, the Culture Transformation Lab and union representatives from certain domestic Group companies exchanged opinions with outside directors, and the information on issues and risks collected by the Culture Transformation Lab during their visits to each site was shared with outside directors. We have discussed possible sites to continuously hold meetings to exchange opinions between outside directors and on-site employees in the future.

Because the Group Executive Management Meeting serves as a forum for wide-ranging discussion of important operational risks and management issues, the results of discussions in the Group Executive Management Meeting are shared with the Board of Directors. Most recently, at the meeting held in the Board of Directors on July 8, 2026, we reported on risk issues (ransomware damage at our Taiwanese subsidiaries and operational risks related to specific businesses) as matters to be reported by the execution side. In addition, by sharing the minutes of the Group Executive Management Meeting with the Members of the Board of Directors via a shared drive, it is possible for the Members of the Board of Directors to understand the risks discussed in the Group Executive Management Meeting. Members of the Audit and Supervisory Committee attend every Group Executive Management Meeting as observers and utilize this as an opportunity to gain a direct understanding of the status of deliberations on the executive side and important risk information.

In addition, we hold a lunch meeting after the regular Board of Directors meeting to exchange opinions among outside directors only.

(iii) Improving the effectiveness of the Audit and Supervisory Committee

The Corporate Administration & Internal Audit Department regularly reports to the Audit and Supervisory Committee on the results of internal audits (details of audits, summary of results, major findings, etc.) (four times a year: reports were made in the Audit and Supervisory Committee on April 22, July 22, 2026, and October 21, 2026), and the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and accounting auditor hold regular meetings to exchange opinions (four times a year: meetings were held on April 22 and July 22, 2026) for the purpose of sharing control issues, etc.

In addition, as part of the Audit and Supervisory Committee audits (operational audits), we have strengthened the exchange of opinions with the Members of the Board of Directors and Vice Presidents (exchanged opinions with CLO on February 7, May 8, and August 4, 2026, the acting CFO on April 4, July 8, and October 1, 2026, and the CEO on June 3 and September 3, 2026).

(iv) Strengthening supervisory functions by diversifying the expertise of the Board of Directors

At the Nominating Committee meeting held on May 9, 2026, the skill matrix indicating “expertise and experience required for the Members of the Board of Directors” was reviewed, and the proposed director candidates were selected based on such reviewed skill matrix. The Nomination Committee reported them at the meeting of in the Board of Directors on May 13, 2026. For outside directors, we will consider appointing professionals with diverse expertise including those with management experience and accounting expertise. For internal directors, we will consider appointing Vice President, who is in charge of administration, in order to fully raise issues from the perspectives of compliance and risk management.

Based on the above report from the Nominating Committee, candidates for the Members of the Board of Directors to be appointed were determined by the Board of Directors and proposed at the Regular General Meeting of Shareholders held in June 2026. As a result, the appointment of all candidates for the Members of the Board of Directors proposed by the Company was approved. The new composition of the Board of Directors is as stated in the "Notice of the 53rd Regular General Meeting of Shareholders" dated May 27, 2026 and the "Notice of Resolutions at the 53rd Regular General Meeting of Shareholders" dated June 18, 2026.

In particular, at the end of the Regular General Meeting of Shareholders, the number of outside directors increased from 8 to 10, and the number of internal directors increased from 1 to 3. The newly appointed outside directors include three people with experience in the management of listed companies and one accounting specialist with experience at an audit firm. Diverse human resources, including a former institutional investor and a legal specialist, were also appointed. In addition, one of the new internal directors was appointed from among the Vice Presidents and had been in charge of administrative divisions such as compliance, human resources, and general affairs.

(v) Enhancing the system to support outside directors

The Board of Directors Office was newly established on June 1, 2026 to strengthen the functions of the Board of Directors Secretariat.

We have also clearly stated that the Board of Directors Office will be responsible for handling matters related to the use of outside experts by outside directors. For example, when the Members of the Board of Directors who are Audit and Supervisory Committee members requested to join the JASBA or attend the learning program training, the Board of Directors Office acted as a liaison to help them join the JASBA.

In addition, from June 2026 onward, the executive team provided the following information to support outside directors when he or she was appointed at the Regular General Meeting of Shareholders.

Date of implementation	Time	Content of information provided
June 9, 2026	2 hours	Corporate and organizational overview, issues faced by the Company and progress in addressing them, Regular General Meeting of Shareholders, Five-Year Business Transformation Plan
July 2, 2026	1 hour	About the third-party committee report
July 30, 2026	1 hour	About the Revised Improvement Plan and the Status Report
August 5, 2026	2 hours	Business description (AMEC_TRM/INV, SPMS)
August 28, 2026	1 hour	The members of the Investigation Committee gave a briefing on the results of the investigation related to quality issues
September 3, 2026	2 hours	Business description (AAD, NPe, MOEN, AeroSpace)
September 24, 2026	1 hour	Business description (Machinery & Automation Business Unit)
September 25, 2026	1 hour	Review of the Five-Year Business Transformation Plan and Purpose
October 8, 2026	Recorded video	Business description (NMOJ)
October 30, 2026	Recorded video	Business description (NIST)
November 5, 2026 (scheduled)	Recorded video	Business description (NIMC)
November 2026 (scheduled)	Recorded video	Business description (NAMC)

(12) Review of the criteria for Vice President nominations and strengthening of their effectiveness

[Improvement actions]

In addition to realizing a transformation of corporate culture that places top priority on short-term profits and does not allow targets to be missed, as well as excessive stock price supremacy to continue to show growth, in order to improve the effectiveness of the Board

of Directors' oversight as described in (11) above, it is important to secure the eligibility of Vice Presidents who can execute the core role of business execution under the directors' supervision. In addition, in order to strengthen the group governance structure, it is also necessary to ensure the suitability of the Executive General Managers of AAD, MOEN, AMEC, SPMS, and NMAB, who directly report to the President of the Company (hereinafter referred to as the "Global Executives") and the CEOs of domestic Group companies. In light of the foregoing, we will implement the following measures.

(i) Review of selection criteria and formulation of dismissal criteria

In the past, in addition to the selection criteria for Vice Presidents that were disclosed to the public, the Company used some selection criteria (such as the embodiment of the Nidec Way, which indicates the code of conduct for employees, past performance and experience) that are not disclosed to outside parties. However, all of them were qualitative criteria based on past performance, and the criteria for dismissal were not specified. In addition, with regard to the selection criteria for Vice Presidents, excluding Presidents, the perspective of compliance was not clearly defined, and more emphasis was placed on past performance and experience. Furthermore, the scope of application of these selection criteria was limited to the Vice President that entered into a contract of commission with the Company, and no selection criteria common to the Nidec Group had been established.

Accordingly, selection criteria for Vice Presidents will be updated to the selection criteria applied globally and uniformly to the Company's Global Executives and the CEOs of domestic Group companies. To be more specific, the Company will add several factors for consideration, including high ethical standards and compliance awareness, leadership through organizational building and human resources development, and strategic planning and execution with an eye to the future as requirements for Vice Presidents, and expand the scope of application to include the Company's Global Executives and the CEOs of domestic Group companies. In addition, we will establish criteria for the dismissal of a Vice President, so that dismissal can be deliberated in the event of an occurrence that does not satisfy the selection criteria or when a wrongful act or a material fact that violates laws and regulations or internal rules such as the Articles of Incorporation occurs.

(ii) Improving the effectiveness of the Vice President selection process

At present, when holding the Nominating Committee meeting to nominate the Vice President of the Company, the Company provides prior explanations of the candidates to the participants of the Nominating Committee. However, the information on the candidates was limited to information such as their careers, and there was a lack of information to fully understand and

verify their suitability. In addition, the scope of deliberations by the Nominating Committee was limited to the Company's directors and certain Vice Presidents (President, the Executive Vice Presidents, etc.), and the Nominating Committee only received a report on the appointment of the Company's other Vice Presidents. Moreover, the selection of CEOs of domestic Group companies was carried out by the process of each company, and the effectiveness of the selection process for the entire Nidec Group was not sufficiently ensured.

Accordingly, the Nomination Committee has held repeated discussions and formulated new selection criteria. In addition, the Company will share with the Nomination Committee in advance diversified information on candidates for nomination, such as compliance checks, internal information and the results of external assessments. In this regard, we have already conducted an external assessment of the Vice President appointed in April. In addition, considering how an outside director, who is a member of the Nominating Committee, pointed out that it is necessary to increase opportunities for meetings, etc. between the Nominating Committee and candidates for nomination, the Company will ensure transparency and objectivity in the evaluation process by the Nominating Committee by increasing opportunities for interviews and interaction with nominated candidates from the early stage of Vice President selection. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that the Vice President selection process is transparent and consistent as a whole by having the Nominating Committee check the selection of Global Executives and the Company's Human Resources Department check the selection of CEOs of domestic Group companies based on globally unified selection criteria.

Improvement measure	Review of the criteria for Vice President nominations and strengthening of their effectiveness
Department in charge	Human Resources Department
Regulations subject to maintenance	Nominating Committee Regulations and Vice President Regulations
Completion date of maintenance	(i) Review of selection criteria and formulation of dismissal criteria: May 2026 (ii) Improvement of effectiveness of Vice President selection process: May 2026
Start date of operation	(i) Review of selection criteria and formulation of dismissal criteria: June 2026 (ii) Improvement of effectiveness of Vice President selection process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of implementation	(i) At least once a year: When the Vice President system is renewed or when an issue emerged that requires consideration of appointing or dismissing a new Vice President. (ii) At least once a year: Provide information necessary for Vice

		President selection deliberations as needed
	Monitoring status	(i) At least once a year, the Nomination Committee checks the appropriateness of whether candidates have been selected based on the selection criteria. (ii) The effectiveness of the Nominating Committee is confirmed through an annual effectiveness evaluation of the Board of Directors
	Cause item number (reference)	(4)

[Improvement status]

(i) Review of selection criteria and formulation of dismissal criteria

Criteria were developed and put into operation by the time the Revised Improvement Plan and the Status Report were disclosed.

(ii) Improving the effectiveness of the Vice President selection process

In April 2026, the Nomination Committee established new criteria for nominating candidates with the aim of establishing a more objective and transparent nomination process. Prior to the formulation of these new criteria, an external assessment was conducted on the candidates for appointment as Vice President in April 2026. In addition, we will continue to systematically provide the Nomination Committee with the results of compliance checks on nominated candidates, information on internal evaluations and performance, and the results of external assessments, thereby establishing a system for making appointment decisions from a more multifaceted perspective. Furthermore, in light of the fact that outside directors who serve as the Nominating Committee members pointed out the need to enhance opportunities for meetings between the Nominating Committee and nominated candidates, we are conducting interviews with candidates from an early stage when appointing Vice Presidents. This process was also carried out for the current President, who was appointed as President and Chief Executive Officer on September 29, 2026. In addition, the Nominating Committee members are working to deepen their understanding of candidates by enhancing contact with candidates, such as by explaining

the issue at a prior briefing session held by the Board of Directors and by holding lunch meetings during site visits.

(13) Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process

[Improvement actions]

Within the Company, the message that "those who make profits are the most highly evaluated" has been repeatedly shared. In addition, evaluation criteria for executive remuneration emphasize single-year performance. As a result, a corporate culture that places top priority on achieving short-term performance has been fostered. In order to rectify the above, the Company will implement the following measures for executive remuneration for the Company's Vice Presidents and Global Executives, and the CEOs of domestic Group companies.

(i) Review of evaluation criteria for executive remuneration

Under the current executive remuneration system, short-term incentives (STIs) are based on single-year sales, single-year profits, and individual evaluations, and long-term incentives (LTIs) are also based mainly on single-year sales, single-year profits, and ESG-related external evaluations. As a result, non-financial factors such as medium- to long term perspectives, compliance, and overall optimization are not fully reflected in executive remuneration evaluations, resulting in a noticeable bias toward short-term performance.

Therefore, we will redesign the evaluation criteria for executive remuneration. For STIs, in addition to revenue, operating profit and free cash flow for a single fiscal year, in March 2026, we formulated new evaluation criteria for executive remuneration that reflected the requirements for cancellation of the designation as a Security on Special Alert as a non-financial element for fiscal 2026, to raise awareness of processes and medium- to long term perspectives. We will also ensure the consistency of the remuneration system across the Nidec Group by globally unifying and extending the application of the evaluation criteria for executive remuneration.

(ii) Issues and measures to improve the effectiveness of the remuneration determination process

In the past, during the Company's Remuneration Committee meetings, necessary information was not sufficiently provided to the Remuneration Committee members, and remuneration

decisions were made as a formal approval process without being able to conduct in-depth deliberations. In addition, the scope of Remuneration Committee's deliberations was limited to the Company's directors and Vice Presidents, and group-wide transparency and controls over executive remuneration were insufficient.

Therefore, in order to make the remuneration determination process more transparent and to enhance the effectiveness of the controls on the remuneration determination process, we established a mechanism to strengthen the involvement of Remuneration Committee members (outside directors). For example, regarding (1) evaluation criteria for executive remuneration, etc., discussions have been held in the Remuneration Committee since January 2026, and the review is ongoing. In the future, we will improve the quality of discussions in the Remuneration Committee by providing timely and appropriate information on market trends, such as the status of the companies and benchmark information on executive remuneration by position necessary for remuneration decisions, to Remuneration Committee members, and by creating environments in which Remuneration Committee members who have received such information can independently ask questions and make decisions. Furthermore, we will expand the scope of monitoring from the group-wide perspective, and ensure that executive remuneration decisions are transparent and consistent across the entire Nidec Group by confirming whether renumeration decisions are made based on the newly formulated globally unified remuneration evaluation criteria, and by having the Renumeration Committee check the appropriateness of remuneration for Global Executives and the Company's Human Resources Department check the appropriateness of remuneration for the CEOs of domestic Group companies.

Improvement measure	Review of evaluation criteria for executive remuneration and strengthening of the effectiveness of the remuneration determination process
Department in charge	Human Resources Department
Regulations subject to maintenance	Executive Remuneration Regulations
Completion date of maintenance	(i) Review of evaluation criteria for executive remuneration: May 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: May 2026
Start date of operation	(i) Review of evaluation criteria for executive remuneration: June 2026 (ii) Issues and measures to improve the effectiveness of the remuneration determination process: June 2026
Methods of raising awareness	Externally (annual securities report, etc.) and internally (company portal, etc.)
Frequency of	(i) At least once a year: When the remuneration of Vice

	implementation	Presidents is decided (ii) At least once a year: Provide information necessary for Vice President selection deliberations as needed
	Monitoring status	(i) At least once a year, the Remuneration Committee confirms the appropriateness of executive remuneration amounts and the determination process based on the remuneration evaluation criteria. (ii) The effectiveness of the Remuneration Committee is confirmed through an annual effectiveness evaluation of the Board of Directors.
	Cause item number (reference)	(2)

[Improvement status]

(i) Review of evaluation criteria for executive remuneration

Regarding the review of evaluation criteria for executive remuneration, evaluation criteria for executive remuneration was redesigned. For STIs, in addition to revenue, operating profit, and free cash flows for a single fiscal year, we formulated new evaluation criteria for executive remuneration in March 2026 that incorporated the requirements from the perspective of the internal management system for fiscal 2026, to raise awareness of processes and medium- to long-term perspectives. In addition, to ensure consistency in the remuneration system across the entire Group, we globally unified evaluation criteria for executive remuneration in April 2026 and expanded the scope of application. Going forward, the Company will examine the operation and effectiveness of these measures, continuously review the optimal form of the remuneration system in light of changes in the business environment and management issues, and make revisions as necessary. As the current LTI system covers the three fiscal years from FY2024 to FY2026, we plan to review the LTI system for FY2027 and beyond. To this end, the Remuneration Committee is currently discussing KPIs to be used as performance metrics, as well as other matters to be addressed.

(ii) Issues and measures to improve the effectiveness of the remuneration determination process

Since the beginning of fiscal 2026, Remuneration Committee meetings have been held six times between April and October under the new Remuneration Committee.

The Remuneration Committee considered the appropriate level by comparing it with executive remuneration benchmark information by position according to the status of candidates to be considered. In addition, the remuneration proposals of the CEOs of the domestic Group companies were consolidated in the Company's Human Resources Department, and it was confirmed that the calculations were made using the newly established unified standards for the entire Group. This was reported to the Remuneration Committee and recorded in the meeting minutes to strengthen effectiveness and ensure clarity.

Furthermore, regarding the examination and determination of the Vice President remuneration for the domestic Group companies, the Company's Human Resources Department presented to each company a proposed remuneration amount calculated using the unified standards newly established for the entire Group, and each company examined the appropriateness based on the remuneration standards. At the time of consideration, each company made a reconciliation of the remuneration amount as necessary and reported it to the Company, and after comparison with the past remuneration results by the Human Resources Department of the Company and confirmation of the reasons for the reconciliation of each company, each executive officer meeting of the companies decided it.

(14) Strengthening the internal audit system

[Improvement actions]

The Group consists of more than 300 companies, and many of them are not adequately monitored by our internal audits. Specifically, the number of corporations subject to annual internal audits has not been sufficient, and even for those subject to internal audits, the necessary responses to the risks they face have not been implemented thoroughly enough. As

a result, the internal audit system for managing each corporation as a group was not sufficiently established.

The Company's Corporate Administration & Internal Audit Department consists of the Internal Control Group, which evaluates internal controls over financial reporting, and the Internal Audit Group, which audits operational activities in the accounting area. The Internal Control Group has 16 members, and the Internal Audit Group has 12 members. (The Corporate Administration & Internal Audit Department also supports Audit and Supervisory Committee members, and the number of employees is not sufficient to perform the duties of the Corporate Administration & Internal Audit Department including providing support to Audit and Supervisory Committee members. In this regard, outside directors also pointed out the necessity of increasing the number of internal auditors.) The Internal Audit Group formulates and drafts audit plans each year based on the criteria for selecting corporations subject to internal audits. The selection criteria include the presence or absence of important issues, the scale of sales, an absence of long-term management changes, significant changes to the nature of the business, and an absence of prior internal audits. The Company determined the corporations that are subject to internal audits by comprehensively considering these criteria. As a result, approximately 60 Group companies were selected for internal audits every year, for which the Company held prior review meetings with the head of the Corporate Administration & Internal Audit Department to confirm the key areas for audits, and then conducted audits of operational activities in the accounting area.

In the past, the Internal Control Group reported to the Audit and Supervisory Committee on the evaluation results of internal controls over financial reporting once a year. However, reports from the Internal Audit Group were only made to the President and not to the Audit and Supervisory Committee other than on irregular important matters, such as those that the Audit and Supervisory Committee had instructed the Internal Audit Group to investigate. As a result, the necessary risk information had not been submitted to the Audit and Supervisory Committee, and the necessary response to the risks were not sufficiently made and instructions to the Corporate Administration & Internal Audit Department were not sufficiently given from the perspective of group governance.

Furthermore, in some audits by the Corporate Administration & Internal Audit Department, it was confirmed that audits were conducted with a top priority on meeting the accounting closing schedule in accordance with Mr. Nagamori's intentions. It was also confirmed that when the Corporate Administration & Internal Audit Department conducted investigations into improper accounting issues that were discovered within the Group, although the existence of excessive performance pressure was mentioned in the interviews

with related parties, this point was omitted from the minutes of the interviews.

In addition, as pointed out in the third-party committee's investigation report, in the past, special audits, distinct from regular internal audits, were conducted under the direction of Mr. Nagamori, but the results were not shared with the Corporate Administration & Internal Audit Department, the Audit and Supervisory Committee (Board of Auditors), or any outside accounting auditor.

As the Company's internal audit function had not been executed adequately in terms of the independence of internal audits, audit quality, and information sharing system, the Company will implement the following measures to strengthen the internal audit system.

(i) Strengthening independence through cooperation with the Audit and Supervisory Committee

In the past, the results of internal audits were reported only to the President, except for occasional reports of important matters to the Audit and Supervisory Committee. In the future, the results of internal audits will be regularly reported to the Audit and Supervisory Committee in addition to the President. To be specific, as described in (11) (iii) above, the Company will create opportunities for the Audit and Supervisory Committee and the Corporate Administration & Internal Audit Department responsible for internal audits to collaborate on information on a regular basis by requiring reports to the Audit and Supervisory Committee at least once every quarter. In addition, through regular information sharing between the Corporate Administration & Internal Audit Department and the Audit and Supervisory Committee, the Audit and Supervisory Committee will be able to confirm that conditions are in place to ensure that the Corporate Administration & Internal Audit Department is independent. As a result, we will build a system to ensure that activities with unclear roles, such as the special audits conducted in the past, and inappropriate internal auditing activities, such as the deletion of part of interviews' minutes during audits, will not be conducted again.

Furthermore, as described in (11) (iii) above, in order to improve the audit function through three-way audits, the Company has decided to hold liaison meetings with the Audit and Supervisory Committee, Corporate Administration & Internal Audit Department, and the external accounting auditor once a quarter, and one was held in April 2026. Through these measures, the risks that need to be addressed from the perspective of group governance will be reported to the Audit and Supervisory Committee in a timely manner. By establishing a system that enables the Audit and Supervisory Committee to promptly and appropriately consider countermeasures for these risks and issue instructions to the Corporate

Administration & Internal Audit Department, the Company will strengthen the third defense line, which is expected to serve as a monitoring function.

In addition, in order to make such a reporting system more effective, the Audit and Supervisory Committee will have control over part of the personnel authority, strengthening the independence of the Corporate Administration & Internal Audit Department. Specifically, we have clearly stated in our regulations that the prior consent of the Audit and Supervisory Committee will be required for the recruitment or transfer of the head of the Corporate Administration & Internal Audit Department and we have started operating in accordance with those regulations.

(ii) Increase the number of companies subject to internal audits and improve audit quality

As previously there have been an insufficient number of internal auditors, the Company will increase the number of internal auditors through new hiring and reassignment, increase the number of companies subject to audit every year, and build an internal audit system capable of conducting sufficient internal audits. In concrete terms, we have already started external recruitment activities, and we are also outsourcing work to outside experts to address the current human resources shortage. As a result, the number of employees in the Internal Audit Group has increased from the initial 12 to about 20.

In addition, the planning and management group has been newly established in the Corporate Administration & Internal Audit Department to enhance the sophistication of internal audits and strengthen the management of audit quality. This will increase the number of companies subject to internal audits and improve the audit quality.

Furthermore, we will expand the scope of audit, which was previously limited to operational audits and internal controls in the accounting area, and examine the governance of the entire Group from a broader perspective. The Corporate Administration & Internal Audit Department will maintain its position as an independent “third line” and will not directly intervene in the business execution process, but will objectively verify whether the autonomous monitoring activities conducted mainly by each business management division (the second line) are functioning appropriately (monitoring of monitoring). To be more specific, the Corporate Administration & Internal Audit Department is monitoring the business management division’s (the second line) monitoring of the formulation of business plans, whistle-blowing system (Hotline), personnel evaluation system, and the status of development and operation of compliance responses.

Improvement measure	Strengthening the internal audit system
Department in charge	Corporate Administration & Internal Audit Department

	Regulations subject to maintenance	The Audit and Supervisory Committee Rules and Internal Audit Rules
	Completion date of maintenance	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: June 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: June 2026
	Start date of operation	(i) Strengthening independence through cooperation with the Audit and Supervisory Committee: July 2026 (ii) Increase the number of companies subject to internal audits and improve audit quality: July 2026
	Methods of raising awareness	Internal notice
	Frequency of implementation	-
	Monitoring status	Confirmation of improvement status in the Audit and Supervisory Committee
	Cause item number (reference)	(5)(6)

[Improvement status]

(i) Strengthening independence through cooperation with the Audit and Supervisory Committee

At least once every quarter, the Corporate Administration & Internal Audit Department reports to the Audit and Supervisory Committee. In 2026, meetings were held in April, July and October. In particular, the Corporate Administration & Internal Audit Department reports to the Audit and Supervisory Committee on internal auditing plans for the current fiscal year and on the results of internal audits conducted during the current fiscal year.

Furthermore, in order to improve the audit function through three-way audits, the Company has decided to hold liaison meetings with the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and the external accounting auditor once a quarter, and these meetings were held in April and July 2026. In particular, the Audit and Supervisory Committee, the Corporate Administration & Internal Audit Department, and the external accounting auditor explain their respective audit plans and discuss how information should be shared, working to improve the auditing functions of the three parties.

(ii) Increase the number of companies subject to internal audits and improve audit quality

Since April 2026, five internal auditors have been recruited from outside the Group.

The planning and management group, which was established in the Corporate Administration & Internal Audit Department in April 2026, prepares checklists for each of the internal auditing items and works to standardize auditing documentation. Furthermore, in order to improve the sophistication of internal audits, we are promoting the implementation of data analysis tool functions, such as calculating risk scores for Group companies at the audit planning stage, with the aim of objectifying and standardizing each risk assessment, which was previously an individual operation. In addition, we have begun to consider the introduction of tools, including IT systems, to visualize the status of audits and centrally manage related data, and are sorting out functions and examining the possibility of utilization.

For internal audits for fiscal 2026, on-site audits were conducted at 32 companies as of the end of September 2026, and additional on-site audits are scheduled for 48 companies from October onward. By visiting 120 companies in fiscal 2027 and fiscal 2028, we plan to complete internal audits including visiting audits of every Group company in about three years. In addition, the findings of internal audits are regularly followed up in the Corporate Administration & Internal Audit Department, and if necessary, in cooperation with the Head Office business management division, we will promote the improvement of governance throughout the Group. Moreover, since May 2026, we have been conducting internal audits in areas other than accounting, focusing on the improvement measures described in the Revised Improvement Plan and the Status Report. The purpose of this system is to monitor the monitoring of the business management division (second line) as the “third line.” The following measures have been added as internal auditing items from this fiscal year, focusing on the improvement measures described in the Revised Improvement Plan and the Status Report.

■ Development of a system for business plans, formulation process, and approval process

■ Budget performance management variance analysis process

■ Independence of accounting functions and accounting governance

■ Promotion process for corporate culture reform

■ Development of a system for crisis management and a report line

■ Process for establishing new regulations and revising existing ones

■ Development of a compliance system (including trade compliance)

■ Status of compliance learning program

■ Process of revising the personnel evaluation systems of the Company and domestic Group companies

■ Vice President selection process for the Company and domestic Group companies

■ Executive remuneration determination process for the Company and domestic Group companies

■ Development of whistle-blowing reports investigation systems, manuals, and report lines

■ The quality audit process for confirming compliance with the Basic Regulations for Global Quality Assurance

(15) Improvement of whistle-blowing system

[Improvement actions]

The Company has established whistle-blowing contact points that can be used by executive officers, full-time employees, associate employees, part-time employees, temporary employees, contract employees, other fixed-term employees, learning program students, job applicants, shareholders, distributors, suppliers, subcontractors, of all Nidec Group companies as well as subsidiaries and joint ventures in which the Nidec Group has more than 50% ownership and others who have obtained information indicating a violation of laws, regulations, the Code of Conduct or Nidec Group's policies in their business relationships,

and those who have resigned from Nidec Group companies within the past year as well as whistle-blowing contact points operated by an outside contractor that can be used by directors, Vice Presidents, and employees mainly in Europe and the United States. The regional compliance officers in Japan, the United States, China, Europe, and Southeast Asia receive reports through these contact points and work with the Compliance Department of the Company to investigate and take corrective action.

In light of the fact that a corporate culture that prioritizes short-term profits has been developed within the Company and that the Group company management system has vulnerabilities, the Company will improve and strengthen the whistle-blowing system and ensure thorough awareness from the perspective of building and operating effective alternative reporting paths so that those obliged to report do not hesitate, delay or fail to report through normal reporting lines.

In addition, the third-party committee pointed out that although the Legal & Compliance Department, which was in charge of dealing with whistle-blowing reports, was aware that improper accounting was caused by excessive performance pressure from Mr. Nagamori and the Vice President in charge of Group companies, it did not particularly point out the existence of such performance pressure because they were hesitant to contradict Mr. Nagamori's management style, as it could lead to their own dismissal, and that there were those who saw no problems regarding the fact that the Vice President in charge of Group companies were putting strong performance pressure on domestic Group companies. In the future, we will strengthen our cooperation with the Audit and Supervisory Committee to incorporate objective external perspectives so that the events pointed out will not occur.

(i) Review of the global whistle-blowing system and dissemination to employees

To improve the effectiveness of its whistle-blowing system, the Company has reviewed its compliance-related regulations, imposed reporting obligations on all officers and employees regarding suspicions of compliance violations and clarified the possibility of imposing disciplinary actions on those who violate such obligations. In addition, in order to raise awareness of the reporting systems and encourage employees to use them without hesitation, we made sure the whistle-blowing system, including the protection of whistle-blowers, were disseminated in various compliance-related learning program sessions. We also redistributed posters related to the whistle-blowing system to Group companies and posted them at each company.

(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status

In addition to the global whistle-blowing system, some domestic Group companies and Group companies under the domestic Group companies have their own whistle-blowing contact points and various consultation points. However, in the past, the status of the development and operation of these contact points was not clearly understood. Therefore, the Company conducted interviews on the development and operation of the unique contact points of domestic Group companies and Group companies under the domestic Group companies to understand the current situation. At the same time, it has established reporting standards requiring that the Company receive reports on the status of whistle-blowing and progress of investigations at domestic Group companies and Group companies under the domestic Group companies in a timely manner. This will enable the Company to collect information on reported cases in each of the Group companies in a timely manner.

(iii) Coordinating information for appropriate response to reports

In the past, the status of whistle-blowing reports was reported to the Audit and Supervisory Committee once every six months, and there was not necessarily close information sharing with the Audit and Supervisory Committee regarding whistle-blowing reports. Accordingly, from October 2025, CLO and CCO have mutually agreed that a reportable incident that is deemed highly important and requires immediate reporting shall be immediately reported to the Audit and Supervisory Committee Office. In addition, matters that meet or exceed a certain level of risk based on the Company's whistle-blowing report risk criteria are to be regularly reported to the Audit and Supervisory Committee once every quarter. By strengthening cooperation with the Audit and Supervisory Committee in this way and by incorporating the objective perspective of outside Audit and Supervisory Committee members in the response to whistle-blowing reports, we aim to improve responses to whistle-blowing reports and ensure the appropriateness of contact point operations.

Improvement measure	Improvement of whistle-blowing system
Department in charge	Compliance Department
Regulations subject to maintenance	NIDEC Global Compliance Regulations
Completion date of maintenance	(i) Review of the global whistle-blowing system and dissemination to employees: December 2025 (ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status: March 2026 (iii) Coordinating information for appropriate response to reports: October 2026*
Start date of operation	(i) Review of the global whistle-blowing system and dissemination to employees: December 2025 (ii) Understanding the status of operation of group companies' own

		contact points and confirmation of group companies' response status: April 2026 (iii) Coordinating information for appropriate response to reports: October 2026*
	Methods of raising awareness	(i) Internal notifications and e-mails
	Frequency of implementation	(i) -
	Monitoring status	(i) - (ii) Collect the list of reported cases from each company once a quarter. (iii) Under consideration
	Cause item number (reference)	(2)(6)

* The Revised Improvement Plan and the Status Report stated October 2026, however the correct date is October 2025.

[Improvement status]

(i) Review of the global whistle-blowing system and dissemination to employees

As a result of raising awareness of the whistle-blowing system globally through displaying posters that explain the system and implementing training related to the system and whistleblower protection through various learning programs (April 2026: new employee learning program, May: trade compliance learning program, June: new manager learning program, July: group compliance learning program), the number of whistle-blowing reports in the first quarter of fiscal 2026 increased by 93 compared to the same period in the previous year to 141. The increase is believed to be due to the impact of multiple measures, including the issuance of a message from the President and the installation of an opinion box. In the future, we will continue to promote the system through learning programs and other opportunities.

(ii) Understanding the status of operation of group companies' own contact points and confirmation of group companies' response status

Starting in April 2026, the Company began receiving reports on the status of whistle-blowing reports and investigation progress from domestic Group companies and Group companies under the domestic Group companies. In July and October of the same year, regular quarterly reports were received from each Group company, and the Company is monitoring whether a timely and appropriate response is being made. As of July, a total of 30 whistle-blowing reports were received in the first three months of fiscal 2026, none of which required immediate intervention from the Head Office.

(iii) Coordinating information for appropriate response to reports

From October 2025 to August 2026, the Compliance Department submitted reports on whistle-blowing reports to the Audit and Supervisory Committee four times. Since July 2026, the full-time Audit and Supervisory Committee members have been provided with monthly reports on the status of whistle-blowing reports.

(16) Strengthening the system for responding to reports

[Improvement actions]

As a result of insufficient or delayed investigations related to compliance violations due to the lack of resources and expertise in the previous investigation system, there was a shared recognition among employees, mainly Group company employees, that responses to whistle-blowing were not adequate, further promoting a climate of silence. The following measures will be taken to strengthen the system for responding to reports.

(i) Preparation of a manual and education for personnel in charge of responding to reports

In order to eliminate inconsistencies in the quality of responses to reports, a manual has been prepared to be used by personnel in charge of investigations after receiving a whistle-blowing report. More specifically, in addition to describing the legal requirements, we have documented the work content and procedures on the detection of issues, clarification of facts, and correction, which are useful for personnel in charge as information that contributes to the practice of conducting investigations. In addition to distributing the manual to the Company's Compliance

Department, it was also provided to Regional Compliance Officers and to compliance officers and promoters assigned to each corporate entity. At the same time, we are holding learning programs in April 2026 to deepen understanding of the content. In addition, we will improve the investigation work by holding trainings by outside experts with specific cases on how to respond to cases where it is difficult to make a judgement when responding to whistle-blowing reports.

(ii) Expansion of the investigation system

In order to prevent a situation in which a sufficient investigation cannot be conducted in a timely manner due to limited investigation response resources or expertise within the Company and the group companies, the Company has established a system that enables thorough fact-finding and correction by partnering with external legal firms with expertise in investigations. We will continue to broadly collect information received from both internal and external sources, carefully review and investigate such information, and respond promptly and appropriately depending on the circumstances. In addition, with respect to matters that are expected to have a financial impact, we will strive to establish an even more reliable framework, including taking the necessary financial measures.

Improvement measure	Strengthening the system for responding to reports
Department in charge	Compliance Department
Regulations subject to maintenance	-
Completion date of maintenance	(i) Preparation of a manual and education for personnel in charge of responding to reports: April 2026 (ii) Expansion of the investigation system: April 2026
Start date of operation	(i) Preparation of a manual and education for personnel in charge of responding to reports: April 2026 (ii) Expansion of the investigation system: April 2026
Methods of raising awareness	E-mail, departmental education
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

[Improvement status]

(i) Preparation of a manual and education for personnel in charge of responding to reports

In July 2026, we held an online learning program for employees in domestic Group companies who are in charge of responding to reports to learn from outside experts about specific cases of how to respond to whistle-blowing reports in which decisions are difficult to make. Similar education programs will be continued in the future.

(ii) Expansion of the investigation system

By the time of publication of the Revised Improvement Plan and the Status Report, it had been developed and put into operation.

(17) Stricter disciplinary measures

[Improvement actions]

At present, some of the disciplinary standards in the Disciplinary Code are unclear or lack strictness, which may undermine the consistency of decisions on disciplinary actions. Also, in addition to the fact that the operational process such as the prior consultation before the Disciplinary Committee meeting had become unclear, there were cases in which, even if it was understood through information from sources other than reporting contact points (such as interviews with retirees) that excessive pressure was being applied to achieve performance targets, the Group was unable to raise the issue or cooperate with the relevant departments, and was unable to lead to a check or improvement through disciplinary actions. Furthermore, the insufficient disclosure of the results of disciplinary actions resulted in a decline in compliance awareness and creation of perception that reporting itself is meaningless because reporting ultimately leads to no disciplinary action. As a result, it is believed that this has contributed to the creation of a climate in which employees are unable to speak out. Therefore, the following measures will be implemented to tighten disciplinary actions.

Tightening disciplinary standards and operational processes

By clarifying the relationship between disciplinary content and actions for the Company and its Group companies in Japan, we will be able to make consistent decisions regarding disciplinary actions. We will also change to a more transparent operational process, including tightening some disciplinary standards and banning prior consultation.

Regarding these measures, we will provide guidance via e-mails in addition to the Company portal and hold explanatory meetings at our bases and group companies to ensure that everyone is aware of them. Furthermore, based on information obtained from areas other than whistle-blowing contact points, such as exit interviews, we will formulate a mechanism for cooperation with related departments and for investigations and disciplinary actions.

Following this, the Company and domestic Group companies will share information on the content and results of disciplinary actions and work to raise awareness of the prevention of recurrence.

In addition, we require Vice Presidents and managerial staff in the Group to attend learning program sessions held once a year that use actual disciplinary cases as teaching material, in an effort to further foster compliance awareness.

Improvement measure	Stricter disciplinary measures
Department in charge	Human Resources Department
Regulations subject to maintenance	Disciplinary Regulations, Work Regulations, Vice President Regulations
Completion date of maintenance	Tightening disciplinary standards and operational processes: April 2026
Start date of operation	Tightening disciplinary standards and operational processes: May 2026
Methods of raising awareness	Company portal, emails, explanatory meetings at our bases and group companies, compliance learning program for Vice Presidents and managerial staff
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

[Improvement status]

Tightening disciplinary standards and operational processes

In April 2026, we prepared explanatory materials for employees regarding the tightening of disciplinary standards and changes in the operational process and we provided guidance via e-mails in addition to the Company portal and held explanatory meetings at our bases and Group companies to ensure thorough awareness. Furthermore, based on information

obtained from areas other than whistle-blowing contact points, such as exit interviews, we have formulated a mechanism for cooperation with related departments and for investigations and disciplinary actions that went into effect in May 2026.

At present, the Company and domestic Group companies report to the Company's Human Resources Department and the Compliance Department on the details of issues submitted to the Disciplinary Committee. By sharing information, the Company is working to raise awareness of fair and impartial disciplinary actions and recurrence prevention.

The results of disciplinary actions are disclosed to employees at each company in a timely and comprehensive manner through notifications and other means. In addition, we have made it a requirement to take a learning program that uses actual disciplinary cases as teaching material once each fiscal year. In fiscal 2026, the scope was expanded from the originally planned learning program for Vice Presidents and managers to all Group employees as part of a compliance learning program and it was held in July.

(18) Clarification of responsibility

[Improvement actions]

On March 13, 2026, the Company established the "Executive Responsibility Investigation Committee," which is comprised of only outside experts, by resolution of the Board of Directors and the Audit and Supervisory Committee.

Objective of establishment		Regarding the instances of improper accounting disclosed in the third-party committee's investigation report, and, based on such report, to enable the Company to make an appropriate and fair determination regarding the legal liability – including liability for breach of duty in the execution of their responsibilities – of individuals who served as directors, auditors, or executive officers during the period covered by the third-party committee's investigation (fiscal 2020 through the first quarter of fiscal 2025) (collectively, the "Individuals"), the purpose of the Executive Responsibility Investigation Committee is to investigate and examine those matters and, on that basis, prepare reports and make recommendations.
Chairperson	Shin Kikuchi	Attorney at Law (Gaien Partners)

Member	Haruka Matsuyama	Attorney at Law (Hibiya Park Law Offices)
Member	Kenichi Akiba	Professor and Certified Public Accountant (Faculty of Commerce, Graduate School of Accountancy, Waseda University)
Scope of investigation		Individuals who served as directors (including the Audit and Supervisory Committee members), auditors, or executive officers between fiscal 2020 and the first quarter of fiscal 2025

Regarding the instances of improper accounting within our Group, the Executive Responsibility Investigation Committee, composed of external experts who have no conflicts of interest with the Individuals, is currently still investigating and examining whether current and former directors, auditors, and executive officers bear legal liability, including whether they breached their duties in the execution of their responsibilities. Based on the report and recommendations of the Committee, we intend to determine whether to pursue claims for damages or other legal measures. Through these measures, the Company will fundamentally strengthen its governance system and ensure thorough compliance, and steadily promote initiatives to restore trust. We have carried out strict actions based on the facts for employees below Vice Presidents and officers and employees of the group companies.

(Personnel measures in response to the third-party committee's investigation report)

As stated in the "Announcement Regarding the Disclosure of the Third-Party Committee's Investigation Report and Our Company's Response" of March 3, 2026, it has been determined that numerous instances of improper accounting were carried out over a prolonged period at multiple locations. Former Member of the Board of Directors and Chairman, Hiroshi Kobe; former Executive Vice President (Executive General Manager of the Small Platform Motor & Solutions Business Unit and in charge of managing Group Companies Performance Management Department), Yoshihisa Kitao; former Senior Vice President (Chief Financial Officer), Akinobu Samura; and former Executive Consultant (Executive General Manager of the Machinery and Automation Business Unit), Tatsuya Nishimoto have resigned from all positions effective March 3, 2026. Former First Senior Vice President (Executive General Manager of Appliance and Automotive Division), Valter Taranzano, who was suspended from his duties effective March 2, 2026, has resigned effective March 23, 2026, as stated in the "Announcement Regarding Receipt of the Third-Party Committee's Investigation Report (Final Report) and Our Company's Response" dated April 17, 2026.

In addition, directors and Vice Presidents have forgone their remuneration as follows.

Representative Director and President (CEO)	100% of monthly base compensation (until submission of the Written Confirmation of Internal Management System) The Written Confirmation of Internal Management System is scheduled to be submitted by the end of October 2026.
First Senior Vice Presidents	50% of monthly base compensation (for four months)
Senior Vice Presidents	
Vice Presidents	
Members of the Board of Directors (Audit and Supervisory Committee Members)	30% of monthly base compensation (for four months)
Outside Members of the Board of Directors	
Outside Members of the Board of Directors (Audit and Supervisory Committee Members)	

[Improvement status]

We are carrying out strict disciplinary actions based on the facts with respect to employees below the level of Vice Presidents and to officers and employees of the Group companies. In addition, Mr. Mitsuya Kishida, the former Representative Director and President, resigned as of September 29, 2026, in light of, among other things, the recent significant impairment losses and the fact that he had made inappropriate remarks and actions regarding financial reporting. After deliberation by the Nominating Committee, Michio Kaida was selected as President and Chief Executive Officer by resolution of the Board of Directors. As a result, Mr. Kishida's voluntarily forfeiture of remuneration covered a period of seven months, from March 2026 to September 2026.

We also received the investigation report from the Executive Responsibility Investigation Committee on October 16, 2026. The committee's conclusion states that the following personnel are believed to be liable either in accordance with the Companies Act of Japan or for violation of their obligations as Vice Presidents (However, the extent of damage should be determined based on the degree of contribution):

- Messrs. Shigenobu Nagamori, Hiroshi Kobe, Akira Sato, Hiroyuki Yoshimoto, Jun Seki and Mitsuya Kishida: Liability for damages in accordance with Article 423, Paragraph 1 of the Companies Act of Japan;
- Messrs. Kazuya Murakami and Hiroyuki Ochiai: Liability for damages in accordance with Article 423, Paragraph 1 of the Companies Act of Japan;
- A former Vice President (former CFO of the Company (from May 2022 to March 2026)): Liability for damages in accordance with either Article 644 and Article 415, Paragraph 1 of the Civil Code of Japan or Nidec's Vice President Regulations

Based on the investigations conducted so far by the third-party committee and the Executive Responsibility Investigation Committee, and also on the results of the audit by the Company's Audit and Supervisory Committee, the Company recognizes cases in which multiple directors and others violated laws and regulations in the execution of their responsibilities. As disclosed in the "Nidec Files Suit for Damages against Former Executives" dated October 27, 2026, the Company has decided to file a lawsuit for damages against the relevant directors, corporate auditors and another officer.

The directors and others found liable by the Executive Responsibility Investigation Committee have already resigned.

Mr. Kazuya Murakami (former CLO) resigned effective October 16, 2026.

Following his resignation, the Company assessed the impact on the effectiveness of the improvement measures in which he had been involved in his capacity as CLO. Taking into account the division of duties, as well as the functional allocation of responsibilities and complementary relationships in each area, the Company has concluded that the impact is limited. The Executive Responsibility Investigation Committee found that Mr. Murakami failed to perform his duties in connection with responsibilities he held prior to his appointment as CLO. However, the Committee's assessment does not, by itself, call into question the reliability of his performance of his duties in all roles or during all periods. In

addition, effective October 27, 2026, the Company appointed an Acting CLO to succeed him and established a structure under which the roles previously performed by the former CLO in connection with the improvement measures will continue to be carried out. In light of the foregoing, the Company has concluded that Mr. Murakami's performance of his duties has had a limited impact on the effectiveness of the improvement measures.

The Acting CLO appointed by the Company is admitted to practice law in the State of New York and possesses a high level of legal expertise. The Acting CLO also has experience serving as an executive responsible for legal and compliance functions at operating companies and has extensive experience and deep expertise in global corporate legal and compliance matters. Accordingly, the Company has determined that the Acting CLO is qualified to perform the relevant duties.

ii. Improvement measures and status of trade compliance

(1) Nurturing awareness and a corporate culture that make regulatory compliance the top priority

[Improvement actions]

(i) Sending a clear message from the Company's Board of Directors to Nidec Group employees

On September 26, 2025, the Board of Directors of the Company sent out a clear message on a strict attitude toward compliance violations and making regulatory compliance centered on quick response policies the top priority. In addition, the President sent out continuous definitive messages 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; and ensure that all executives and other employees of the company act proactively, based on high ethical standards and integrity. On March 4, 2026, the day after we received the third-party committee's investigation report, and on April 1, the first day of the new fiscal year, the President sent a video message to all executives and employees, stating that integrity is

our top priority.

(ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, appropriate disciplinary actions will be taken, and the details will be disclosed to our employees to thoroughly communicate the necessity of prioritizing compliance above all else.

(iii) Strengthening our Legal & Compliance Department's functions

To address whistle-blowing reports and investigations, a Chief Legal Officer (CLO) was newly appointed on July 1, 2025, and in-house attorneys were newly appointed at the General Manager level on October 1, 2025, in our Legal & Compliance Department to establish a system to address cases utilizing legal and compliance expertise.

Improvement measure	Nurturing awareness and a corporate culture that make regulatory compliance the top priority
Department in charge	(iii) Board of Directors (i) Human Resources Department (ii) Compliance Department
Regulations subject to maintenance	(i) - (ii) - (iii) Organization chart
Completion date of maintenance	(i) Clear message from the Company's Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations (iii) Strengthening our Legal & Compliance Department's functions: October 2025
Start date of operation	(i) Clear message from the Company's Board of Directors to Nidec Group employees: September 2025 (ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions: After receiving the results of the investigation by the third-party committee and other internal investigations (iii) Strengthening our Legal & Compliance Department's functions: October 2025
Methods of raising awareness	(i) E-mails and company portal (ii) Internal notice (iii) Internal notice
Frequency of implementation	-
Monitoring status	-
Cause item number (reference)	(2)

[Improvement status]

(i) Sending a clear message from the Company's Board of Directors to Nidec Group employees

In July 2026, we held a compliance learning program for all executives and employees of the Group, in which we showed a video message on the significance of compliance.

(ii) Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions

Based on the investigation results by the third-party committee and other internal investigation results, strict disciplinary actions are being taken. The details of such measures have been disclosed to our employees through notifications to ensure that they fully understand the necessity of prioritizing compliance above all else.

(iii) Strengthening our Legal & Compliance Department's functions

By the time of publication of the Revised Improvement Plan and the Status Report, it had been developed and put into operation.

(2) Strengthening organizations and systems

[Improvement actions]

(i) Strengthening the trade compliance system

As part of the Group's global trade management system, the Trade Management Office has been established under the Legal & Compliance Department and has been responsible for collecting information on global trade management, disseminating and sharing information to related parties, and providing guidance to the Company and Group companies on necessary matters related to global trade management.

In addition, in areas other than the Company's jurisdiction, specifically ACIM and NAHC, separate trade compliance officers have been appointed in each respective jurisdiction. However, the overall control function of the Trade Management Office was not functioning sufficiently, the division of roles between each jurisdiction was unclear, and information sharing was insufficient.

Accordingly, on December 1, 2025, the Company appointed a customs specialist (who used to work for the World Customs Organization (WCO)) as the Head of the Trade Compliance Office (reorganized from the Trade Management Office) of the Company, and established a Global Trade Strategy Team consisting of specialists and experts who will supervise the progress of the trade regulation field. In addition, the Legal Department of NAHC, which has several experts in United States customs, took the lead in managing all trade procedures in the United States in an integrated manner, and has been granted Group-wide authority over trade compliance in the United States.

(ii) Strengthening the global compliance system

In addition to establishing an office of Chief Legal Officer (CLO) and assigning a person with specialized knowledge and experience, we have assigned a compliance specialist in North America. Since October 2025, bi-weekly meetings have been held by the Company's Legal & Compliance Department with Group Regional Compliance Officers to share information on the status of investigations of reported cases and issues in significant regions, in an effort to share risk information and improve responsiveness.

Improvement measure	Strengthening organizations and systems
Department in charge	(i) Trade Compliance Office (ii) Compliance Department
Regulations subject to maintenance	(i) Basic Regulations on Global Trade Management (ii) -
Completion date of maintenance	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Start date of operation	(i) Strengthening the trade compliance system: December 2025 (ii) Strengthening the global compliance system: October 2025
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) Once a year (ii) Bi-weekly
Monitoring status	(i) Activity reports to the Global Trade Management Committee (ii) Activity reports to CLO/CCO
Cause item number (reference)	(6)

[Improvement status]

(i) Strengthening the trade compliance system

As of October 1, 2026, the Trade Compliance Office was made independent from the Compliance Department. A person with extensive knowledge and experience in the field of tariffs and customs was appointed as its head, who reports directly to the CLO.

(ii) Strengthening the global compliance system

Between October 2025 and September 2026, the Compliance Department of the Company held a total of 38 meetings with Regional Compliance Officers. The main agenda items included checking the status of regional responses to whistle-blowing reports and sharing information on compliance-related measures (revising regulations, sharing our response manual, checking the progress of the learning program for all employees, etc.). In addition, risk information is shared with the CLO and Chief Compliance Officer (CCO) in weekly reports and biweekly meetings within the Compliance Department, and the system has been strengthened to enable prompt responses to reported cases and issues on a global basis.

(3) Improvement of procedures, regulations and mechanisms

[Improvement actions]

(i) Improvement of the Group's reporting system

In the FIR Issue, there was a delay in information communication. In order to prevent a similar delay in information communication in the future, the following measures have been stipulated in the regulations.

(i) When Regional Compliance Officers and the Legal & Compliance Department have identified material risk information, they will report such information directly to the Company's Chief Compliance Officer (CCO)

(ii) If a Regional Compliance Officer becomes aware of any act that violates laws and regulations or act that may violate laws and regulations, report the same to the Company's Legal & Compliance Department.

(ii) Information sharing among the Company group's Legal & Compliance Departments

We will establish regular information-sharing sessions with overseas legal and compliance officers and share such information among key members within the Company's Legal & Compliance Department. Specifically, the Legal & Compliance Department receives monthly risk information reports on litigation cases from each regional legal affairs personnel and shares them within the Legal & Compliance Department. In addition, in order to share a wide range of issues and response policies not only related to litigation but also related to compliance, etc., across the Group, we have commenced holding regular global in person and virtual meetings since April 2026, with the participation of leaders from the Legal Department, Compliance Department, and Trade Compliance Office.

(iii) Properly organizing the internal control system

In the past, quarterly inquiries from the accounting department to the Legal & Compliance Department on risk information were made only at the Company. We have expanded this to a global basis and introduced a process to check whether the material risk information identified by the accounting department is comprehensive. It is assumed that the risk information handled by the Legal & Compliance Department includes information on litigation cases and whistle-blowing reports. Regarding the risk information on litigation cases that are reported monthly to the Legal & Compliance Department by regional legal affairs personnel as described in (ii) above, we have established a browsable database and implemented risk analysis to share such information with the accounting department. Regarding information related to whistle-blowing, we are working to share such information after deleting or editing information that could lead to the identification of the whistle-blower and limiting the people who have access rights.

Improvement measure	Improvement of procedures, regulations and mechanisms
Department in charge	(i) Risk Management Office (ii) Legal Department (iii) Accounting and Tax department / Compliance department / Legal department
Regulations subject to maintenance*	(i) NIDEC Group Compliance Regulations (ii) - (iii) -
Completion date of maintenance	(i) Improvement of the Group's reporting system: February 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: December 2025 (iii) Properly organizing the internal control system: December 2025
Start date of operation	(i) Improvement of the Group's reporting system: March 2026 (ii) Information sharing among the Company group's Legal & Compliance Departments: January 2026 (iii) Properly organizing the internal control system: January 2026
Methods of raising awareness	(i) Internal notice (ii) - (iii) -

Frequency of implementation	(i) - (ii) Monthly (iii) Quarterly
Monitoring status	(i) - (ii) - (iii) Confirmed in internal audits
Cause item number (reference)	(5)

* In the Revised Improvement Plan and the Status Report, the regulation was referred to as the "Nidec Group Compliance Regulations"; however, the name has since been changed to the "Nidec Global Compliance Regulations."

[Improvement status]

(i) Improvement of the Group's reporting system

By the time of publication of the Revised Improvement Plan and the Status Report, it had been developed and put into operation.

(ii) Information sharing among the Company group's Legal & Compliance Departments

Regarding reporting on risks associated with lawsuits, information on lawsuits as of the end of the first quarter was collected in July 2026 from regional legal affairs personnel and shared within the Legal Department. At the global meeting held in April 2026, the CLO, the Regional Compliance Officers for major regions, as well as the heads of the legal divisions in major countries participated. Over the course of three days, they shared information on the activities and performance of each division and explained each division, and discussed issues to be resolved and measures to be taken.

(iii) Properly organizing the internal control system

In July 2026, the Company's Legal Department collected litigation information as of the end of the first quarter of the fiscal year ending March 2027 from each regional legal affairs personnel and shared 480 litigation cases with the Company's accounting department. Based on the amount of claim, the progress of the lawsuit, the likelihood of occurrence, and other material matters, the accounting department of the Company which the cases were shared with confirms whether the necessary provisions are appropriately recorded for important matters or whether there are matters that need to be disclosed in the consolidated financial statements on an individual basis. From January to October 2026, the Company's Compliance Department shared information on whistle-blowing reports at least once a quarter and shared whistle-blowing cases with the Company's accounting department.

(4) Improvement measures at FIR

[Improvement actions]

FIR, where the FIR Issue occurred, will formulate and sequentially implement the following recurrence prevention measures in addition to the above-mentioned improvement measures for the entire Group (in particular, thorough awareness that make regulatory compliance the top priority as in (1) (i) and (ii) above and integrated management by NAHC of trade procedures related to the United States as in (2) (i) above).

(i) Systematic training and education system

In the past, we did not have a systematic training and education system in place. In order to ensure that all employees are aware of the need to comply with U.S. customs laws, we have commissioned lawyers specializing in U.S. customs to continuously conduct specialized trainings on trade compliance.

In particular, in July 2025, immediately after the discovery of the Issue, we conducted education aimed at preventing recurrence for the procurement and distribution departments of FIR. In addition, in March 2026, we conducted a learning program for departments involved in trade compliance with the aim of learning the latest U.S. tariff systems.

(ii) Internal control over country of origin declarations

As FIR did not have adequate internal controls in place for determining country of origin declarations pertaining to exports to the United States, we developed and started to operate such internal controls. In particular, we have newly established Article 10 of the Nidec Group Global Trade Administration Regulations to establish a process that requires cooperation with the NAHC Legal Department and consultation with external trade control experts when determining the country of origin of cargo bound for the United States. As a result, we have established a system that reflects the latest laws and regulations and changes in important parts and bills of materials (BOMs) in a timely manner and accurately determines the country of origin based on expert knowledge on a continuous basis.

Improvement measure	Improvement measures at FIR
Department in charge	(i) Trade Compliance Office (ii) Corporate Administration & Internal Audit Department
Regulations subject to maintenance	(i) - (ii) Nidec Group Global Trade Administration Regulations
Completion date of maintenance	(i) Systematic training and education system: January 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: March 2026
Start date of operation	(i) Systematic training and education system: February 2026 (including companies other than FIR) (ii) Internal control over country of origin declarations: April 2026
Methods of raising awareness	(i) Company portal (ii) Company portal
Frequency of implementation	(i) At least once a year (including companies other than FIR) (ii) -
Monitoring status	(i) Confirmation of participants (ii) SOX evaluation by the AAD Internal Control Office
Cause item number (reference)	(5)

[Improvement status]

(i) Systematic training and education system

In May 2026, as part of a Group-wide initiative, including FIR, an e-learning program was held for officers and employees involved in trade to enhance understanding of the risks through examples of violations, familiarize them with the internal operational framework and consultation and reporting channels, and establish appropriate decisions and actions in the field.

In addition, in the same month, a manual listing compliance requirements related to trade management by business process and a handbook summarizing key points requiring attention were distributed and posted on the company portal.

(ii) Internal controls regarding country-of-origin declarations

As FIR did not have adequate internal controls in place for determining country of origin declarations pertaining to exports to the United States, we developed and started to operate such internal controls. In particular, we have newly established Article 10 of the Nidec Group Global Trade Administration Regulations to establish a process that requires cooperation with the NAHC Legal Department and consultation with external trade control experts when determining the country of origin of cargo bound for the United States. In one case, FIR cooperated with the NAHC Legal Department and received advice from an external trade control expert to determine the country of origin of brushless motors. As a result, we have established a system that reflects the latest laws and regulations and changes in important parts and bills of materials (BOMs) in a timely manner and accurately determines the country of origin based on expert knowledge on a continuous basis.

(5) Additional improvement measures for trade compliance based on the investigation of the FIR Issue

Based on the results of the investigations so far, in addition to improving knowledge and awareness of trade compliance, we recognize that it is important for management to sufficiently understand its importance and risks, standardize trade management operations at each site, and establish it in actual business processes.

Based on this awareness, we once again explained the importance of trade compliance to the management of each site and worked to promote an understanding of the outline of the problem and its significance. On top of that, we have been promoting a series of initiatives ranging from the understanding and involvement of management to the education and development of rules for employees and their establishment in business practices, including education for and raising awareness among employees, development of common rules for

business practices, and continuous dissemination of the importance of compliance, as well as development and dissemination of SOPs (standard operating procedures) after confirming the actual business processes at each site.

Through these efforts, the Group aims to build a system that can continuously implement appropriate trade management operations at each Group company without relying solely on the expertise and experience of each individual person in charge. To this end, the Group is sequentially implementing the following improvement measures.

(i) E-learning program on trade compliance

In May 2026, we once again communicated the consultation and reporting channels for violations, and conducted an e-learning program on trade compliance for officers and employees involved in trade. Through this program, officers and employees involved in trade management were once again encouraged to understand the basic requirements to be observed, and we thoroughly communicated the importance of appropriate consultation and reporting when violations or potential violations are recognized.

(ii) Development and dissemination of a “Customs Compliance Manual” and a “NIDEC Customs Compliance Handbook”

In May 2026, we prepared a “Customs Compliance Manual,” which categorizes compliance matters for trade management according to business processes, and a “NIDEC Customs Compliance Handbook,” which compiles important matters for business practices, for operations related to country of origin declarations, customs classification, and free trade agreements, and distributed them to relevant personnel. As a result, we have clarified common rules that should be referred to in practice for trade management operations, which used to depend in part on the knowledge and experience of each site and person in charge, and are working to standardize operations.

(iii) Continuous communication on the importance of compliance

At the compliance training program held in July 2026 for all officers and employees of the Group, a video message reiterating the importance of compliance was delivered. In addition to specialized education for employees who are directly involved in trade management, we are working to further embed a culture of compliance throughout the Group by reiterating to all Group officers and employees of the importance of treating compliance as a prerequisite for business activities.

(iv) Development and dissemination of SOPs (standard operating procedures)

In addition to the above-mentioned education and establishment of rules, to ensure the effectiveness of trade compliance in the actual business processes at each site, the Trade Compliance Office and the Global Supply Chain Management Headquarters and other head office divisions are taking the lead in reviewing the trade management processes of each site and are working to rectify identified issues and to develop, disseminate and establish SOPs.

In particular, in the United States, we have positioned the series of customs investigations as an opportunity not only to identify past filing errors and their financial impact, but also to improve the trade management system itself. Accordingly, personnel responsible for trade management at the Head Office are working closely with local personnel and related departments to review actual import transactions and business processes, collect and verify necessary information, and rectify identified issues.

Through these coordinated efforts between the Head Office and local personnel, we are working to improve practical response capabilities at overseas sites by having local staff make judgments and responses such as customs classification and country of origin declarations in line with actual transactions. In addition, we are accumulating issues and

matters for improvement learned through actual business processes and using them to develop and effectively operate SOPs based on the actual situation at each site. In addition, through the investigation so far, we have confirmed that it is necessary to develop SOPs on customs classifications, standardize necessary technical information, and strengthen internal controls and learning programs, and we are taking measures based on these.

At present, the formulation and development of SOPs have been completed at each Group site, including those in the United States, and we are working to develop and establish business processes based on these SOPs, as well as to confirm the actual operating status at each site and to correct any issues identified. In the future, the Group will expand the initiatives at each site and the knowledge and know-how obtained in the United States across the Group, and will continue to confirm that operations are actually conducted in accordance with SOPs. In addition, we will revise and enhance the content of the SOPs as necessary in order to standardize and establish operational procedures according to the actual state of business practice, while maintaining the basic procedures that should be followed in common, based on the issues identified through the confirmation of the operation status, the transaction types of each operation and base, and the characteristics of the business process.

(v) Development and enhancement of systems and management infrastructure

With respect to the series of customs-related issues, we recognize that one of the underlying factors was that systems and review mechanisms for collecting and managing information necessary for trade transactions and ensuring the accuracy of such information had not been sufficiently developed.

In the past, amid a focus on cost reduction, sufficient investment had not been made in the systems and IT infrastructure necessary to appropriately manage an increasingly global and complex supply chain. As a result, certain information, including country of origin, tariff classification, bills of materials (BOMs), and customs valuation, continued to be managed

individually by each site or personnel and, in some cases, through manual processes. In fact, the investigations conducted to date in the United States have identified issues related to information and record management, including cases where historical BOMs were not retained in the system and where necessary documentation could not be promptly provided. To address these issues, under the leadership of the Director and Chief Supply Chain Officer (CSCO), we will make the necessary investments in systems and develop and enhance the management infrastructure, with a view to strengthening supply chain management and trade compliance in an integrated manner. As a prerequisite for implementing specific systems, it is necessary to standardize business processes, management items, and decision-making and approval rules that differ among sites, and to clearly define the scope and requirements for system implementation. Accordingly, as a foundation for the effective implementation of such systems, we are currently prioritizing the standardization and establishment of business processes through the development and rollout of SOPs and other measures.

Going forward, based on the business process standardization currently underway, we will identify and prioritize areas for system implementation, including centralized management of trade-related data, management of information used for country-of-origin and tariff classification determinations, approval and escalation processes, and monitoring. We will then make the necessary investments and progressively develop and enhance our systems and IT infrastructure. We have secured this fiscal year's budget for the system investments required for this purpose, and, based on the standardization and establishment of business processes currently underway, we will progressively begin defining system requirements and developing the relevant systems from the next fiscal year.

Improvement measure	Additional improvement measures for trade compliance based on the investigation of the FIR Issue
Department in charge	Trade Compliance Office / Global Supply Chain Management Division

Regulations subject to maintenance	-
Regulations Subject to Development/Revision Completion Date	(i) E-learning program on trade compliance: May 2026 (ii) Development and dissemination of a "Customs Compliance Manual" and a "NIDEC Customs Compliance Handbook": May 2026 (iii) Continuous communication on the importance of compliance: July 2026 (iv) Development and dissemination of SOPs (standard operating procedures): July 2026 (v) Development and enhancement of systems and management infrastructure: -
Start date of operation	(i) E-learning program on trade compliance: May 2026 (ii) Development and dissemination of a "Customs Compliance Manual" and a "NIDEC Customs Compliance Handbook": May 2026 (iii) Continuous communication on the importance of compliance: July 2026 (iv) Development and dissemination of SOPs (standard operating procedures): July 2026 (v) Development and enhancement of systems and management infrastructure: -
Methods of communication	(i) Company portal (ii) Company portal/internal notices (iii) Company portal (iv) Company portal (v) -
Frequency of implementation	-
Monitoring status	(i) - (ii) - (iii) - (iv) Report on activities to the Global Trade Administration Committee (v) -
Cause item number (reference)	2 i

(6) Disciplinary actions

[Improvement actions]

Based on the investigation results by the third-party committee and other internal investigation results, responsibilities will be clarified as described in II (18) below, and appropriate disciplinary actions will be implemented.

[Improvement status]

Based on the results of the investigation by the third-party committee and other internal investigations, we have clarified the responsibility for FIR, and the four main responsible personnel have already been dismissed or have resigned. For other individuals, we issued dismissal notices in September 2026.

iii. Improvement measures and status of quality-related misconduct

Nidec takes the suggestions and recommendations of the investigation report, which was disclosed in the "Disclosure of Investigation Report and Nidec's Actions in Response to It" dated September 4, 2026, extremely seriously.

The issues related to the Company's management attitude and culture, such as excessive performance pressure and a climate of silence, which were recognized as the background of the recent quality-related misconduct, are common to the causes of the series of improper accounting incidents identified by the third-party committee's investigation. We recognize that these are fundamental issues that should be faced in a unified manner toward Nidec's reform, rather than being viewed as individual events. To resolve these issues, the Company has continued to steadily promote initiatives to reform the corporate culture and also promoted the creation and establishment of a culture of quality compliance. In addition to these common issues, we also recognized that there are issues related to the systems and processes unique to quality assurance, and have worked to improve them through the strengthening of supervision and checks by the quality assurance organization.

(1) Improvement measures for creating and establishing a culture of quality compliance

(i) Message from top management on quality compliance

To foster a culture of quality compliance, from July to September 2026, we issued the CQO (Chief Quality Officer) Re-Definition Declaration to all employees, stating that we would advance toward becoming a proud manufacturer with a quality- and customer-first policy.

At the company-wide meeting held on September 7, 2026, the CEO, CCO, and CSCO (Chief Supply Chain Officer) issued a message to all employees aimed at preventing recurrence and restoring trust.

(ii) Establishing a permanent Quality Feedback Channel

We have decided to maintain the Quality Feedback Channel, which was established as part of the overall quality inspection, on a permanent basis even after the investigation committee has completed its work. In addition, we have prepared a Quality Feedback Channel manual for use by investigation personnel and others involved in handling such submissions, in order to prevent the dependence of decisions and responses on the individual employee in charge when carrying out investigations after receiving submissions.

(iii) Development of a quality compliance learning program

In September 2026, based on the lessons learned from the investigation report, we conducted a quality compliance learning program with outside lawyers as lecturers. The purpose of the seminar was for the Company's executives, the Heads of Business Units, and the Presidents of Group companies with the aim of understanding how to create an organizational culture to realize what we want to be, and for management executives to make efforts at each company.

Furthermore, in September 2026, we rolled out a quality compliance-related learning program to all employees and reminded them that the violations of 4M changes and the falsification and fabrication of test and inspection data, etc., which were discovered this time, were quality-related compliance violations. We also informed them that they should report to the appropriate report line or write to the Quality Feedback Channel if they saw or heard such a situation. In addition, we recognize that quality assurance is the

responsibility of not only manufacturing divisions such as Quality Assurance, Manufacturing and Research & Development Operations, but also of all employees, including those in administrative divisions. We are also communicating the importance of each individual taking action to ensure quality in their respective roles; through these initiatives, we are working to foster and embed a culture of quality compliance.

(iv) Reviewing the operation of the Quality Assurance Regular Meeting

Since November 2025, the Quality Assurance Regular Meeting, which consists of managers responsible for quality assurance in Business Units and Group companies, has been reorganized from a report-based format to a format that emphasizes interactive discussions, such as on-site meetings. A meeting was held on August 7, 2026, as a forum for effective discussion on the early detection and prevention of quality problems, and will continue to be held quarterly.

Improvement measure	Improvement measures for creating and establishing a culture of quality compliance
Department in charge	Global Quality Management Headquarters
Regulations subject to maintenance	-
Regulations Subject to Development/Revision Completion Date	(i) Message from top management on quality compliance: September 2026 (ii) Establishing a permanent Quality Feedback Channel: September 2026 (iii) Development of a quality compliance learning program: September 2026 (iv) Reviewing the operation of the Quality Assurance Regular Meeting: September 2026
Start date of operation	(i) Message from top management on quality compliance: July 2026 (ii) Establishing a permanent Quality Feedback Channel: September 2026 (iii) Development of a quality compliance learning program: October 2026 (iv) Reviewing the operation of the Quality Assurance Regular Meeting: September 2026
Methods of communication	(i) E-Mail, company portal (ii) E-mail, company portal, posters, quality compliance learning program (iii) Company portal (iv) -

Frequency of implementation	(i) Annually (ii) - (iii) Annually (iv) Quarterly
Monitoring status	-
Cause item number (Reference)	2 ii

(2) Improvement measures for strengthening supervision and checks by the quality assurance organization

(i) Strengthening the independence and control of the quality assurance organization

In September 2026, the Basic Regulations for Global Quality Assurance were revised to ensure the independence of the quality assurance manager and to strengthen the quality assurance division's control over the 4M change and inspection processes. Specific provisions include clarifying the authority of the quality assurance manager in each Business Unit and Group company to make shipment suspension decisions independently from other departments such as manufacturing and sales, as well as stipulating that the quality assurance department must confirm that the applications required by the agreement with the customer have been made prior to the implementation of 4M changes and that the inspection of the products, parts, and manufacturing processes have been conducted in accordance with the predetermined inspection standards, judgment standards, and inspection procedures.

In addition, since April 2025, for the purpose of strengthening quality governance, the CQO was responsible for setting targets for individuals responsible for quality assurance in domestic Business Units and Group companies and performing 30% of the primary evaluation. In the future, in order to further strengthen supervision and checks by the quality assurance organization, the ratio will be raised to 50% and quality assurance managers in overseas Business Units and Group companies will also be included. In addition, with regard to the quality assurance managers of the bases under the jurisdiction of the Business Units and Group companies, in the past, the operational managers of such

bases had been responsible for 100% of personnel evaluations. Going forward, 50% of such personnel evaluations will be conducted by the persons responsible for quality assurance at the supervising Business Units or Group companies, thereby strengthening the independency of the quality assurance organization of the entire Group.

(ii) Review of quality escalation rules and reporting lines

With respect to the reporting criteria established between the CQO and the Company's Global Quality Management Division, on the one hand, and the persons responsible for quality assurance at each Business Unit, Group company, and site, on the other hand, for reporting standards dealing with important quality-related issues such as violations of 4M changes and falsification of quality data (hereinafter referred to as the "Quality Escalation Rules"), the Basic Regulations for Global Quality Assurance, as revised in September 2026, now expressly require sites to report such matters to the Business Unit or Group company that has jurisdiction over the site in question, which had not previously been expressly stipulated. In addition, violations of laws and regulations and revocation of certification are now also subject to quality escalation.

In addition, due to concerns that information on critical quality-related issues at some overseas Business Units and bases had not been reported to the Company in the past, the Company reconfirmed with the quality assurance manager of each Business Unit and Group company whether there were bases under the control of an organization in charge of quality assurance and whether there was a reporting line with those bases.

By reviewing these Quality Escalation Rules and reporting lines, we are rebuilding a system in which information on major quality-related issues in the Group is promptly reported to and dealt with by the Company.

(iii) Implementation of quality audits

We formulated a quality audit plan in September 2026, and the Global Quality Management Headquarters has been conducting quality audits since October 2026. Priority

visits are made to Business Units and Group companies, and other sites that were found to have a large number of issues by the Investigation Committee. These visits are intended to confirm compliance with the Basic Regulations for Global Quality Assurance and promote their penetration and establishment throughout the Group. In addition to sharing the results of quality assurance audits with the Corporate Administration & Internal Audit Department, the Corporate Administration & Internal Audit Department will also monitor quality assurance audits in its capacity as the third line of defense.

Improvement measure	Improvement measures for strengthening supervision and checks by the quality assurance organization
Department in charge	Global Quality Management Division
Regulations subject to maintenance	Basic Regulations for Global Quality Assurance, Quality Audit Procedures, and Quality Audit Plan
Completion date of maintenance	(i) Strengthening the independence and control of the quality assurance organization: September 2026 (ii) Review of quality escalation rules and reporting lines: September 2026 (iii) Implementation of quality audits: September 2026
Start date of operation	(i) Strengthening the independence and control of the quality assurance organization: October 2026 (ii) Review of quality escalation rules and reporting lines: October 2026 (iii) Implementation of quality audits: October 2026
Methods of raising awareness	(i) Explanatory meetings for the quality assurance manager, company portal (ii) Explanatory meetings for the quality assurance manager, company portal (iii) Explanatory meetings for the quality assurance manager
Frequency of implementation	(i) - (ii) - (iii) Annually
Monitoring status	(i) Quality audits by the Global Quality Management Headquarters (ii) Quality audits by the Global Quality Management Headquarters (iii) Monitoring by the Corporate Administration & Internal Audit Department
Cause item number (reference)	2 ii

(3) Future response to quality-related misconduct

For customers related to the products where the quality-related misconduct was found, we are providing explanations to them on an ongoing basis and discussing appropriate

measures with each customer individually. At present, we have not confirmed any events that will have a significant impact on financial position and operating results in the Group. In addition, strict disciplinary actions will be carried out in the future based on the relevant facts revealed by the investigation of the Investigative Committee.

Furthermore, considering the recent quality-related misconduct as a company-wide issue including organizational, operational, and management issues, we have held several intensive discussions to continuously evolve improvements and are considering recurrence prevention measures in the medium- to long term. Based on the common proposition of evolving into an organization does not "cause," "overlook," or "repeat" quality-related misconduct, etc. at a more fundamental level, we are considering the "ideal image" of the management, corporate, Business Unit, Group company, and bases based on the recommendations of the Investigation Committee.

Results of focused discussions		
Meeting number	Date	Attendees
1	August 7, 2026	Quality assurance managers in domestic Business Units and Group companies
2	August 21, 2026	Members from the Global Quality Management Division, Global Supply Chain Management Division, Global Business Promotion Division, General Affairs Department, Sustainability Promotion Department, Human Resources Department, Information Systems Department, Legal Department, Compliance Department, Corporate Administration & Internal Audit Department, Nidec Center for Industrial Science and Technology, Culture Transformation Lab, Office of the President, Office of the Board of Directors, Trade Compliance Office, domestic Business Units and Group companies
3	September 11, 2026	Members from the Global Quality Management Division, Global Supply Chain Management Division, Global Business Promotion Division, General Affairs Department, Sustainability Promotion Department, Human Resources Department, Information Systems Department, Legal Department, Compliance Department, Corporate Administration & Internal Audit Department, Culture Transformation Lab, Office of the President, Office of the Board of Directors, Trade Compliance Office, domestic Business Units and Group companies

[Responding to management's proposals on the "ideal image"]

In response to the Investigation Committee's recommendation that the ideal image of the Company's management should be one that not only takes a short-term perspective but also a medium- to long term one, redefines the ideal form of the organization and the direction it should take (goals), and makes high-quality decisions as a team, not as individuals, while sharing important values (principles) including a quality-related stance and focusing on continuous organizational learning, the Company has responded with (1) (i) Message from the President on quality compliance and a learning program for management implemented as part of (1) (iii) Development of a quality compliance learning program. Going forward, in addition to continuing to improve the operation of these measures, we will formulate quality-related goals and principles based on the Group's quality-related policies of "We will give top priority to our customers by providing products and services that satisfy them," and "We will put quality first and make every effort to create products that can be accepted worldwide," as well as the contents of the CQO Re-Definition statement released in light of the recent quality-related misconduct, etc., and strive to spread and establish them as a globally-shared understanding. In addition, we will consider "internal and external communications on the continuous response to quality-related misconduct," "review and monitoring of quality-related KPIs," "evaluation of bases from the perspective of quality-related compliance risks," and "review of responsibility, authority and KPIs for shifting to cost centers," as measures for the medium- to long term.

[Response to proposals on the "ideal image" at the corporate level]

In response to the suggestion that the "ideal image" of the Company's corporate level is to share the direction (goals) that should be taken and important values (principles) including quality control with the management level, and to independently support the business divisions across divisions for the realization of overall optimization, not sectionalism or partial optimization, we responded with a learning program for all employees implemented as part of the (1) (iii) Development of a quality compliance learning program, (1) (iv)

Reviewing the operation of the Quality Assurance Regular Meeting, and (2) (iii) Implementation of quality audits. In the future, in addition to continuing to improve the operation of these measures, we will consider “visualization, replenishment, and expansion of quality assurance personnel,” “establishment of a legal and standard information management system,” and “cooperation between the Global Quality Assurance Division and Corporate Administration & Internal Audit Department in quality assurance audits” as medium- to long term measures.

[Response to recommendations for the “ideal image” in Business Units, Group companies and bases]

In response to the suggestion that the ideal image of Business Units, Group companies and bases is an image that continues to take on sound challenges to achieve lofty goals based on each officer and employee of the business division sharing important values (principles) including quality, as well as understanding their own position in the direction (goals) to go and the importance of ensuring transparency necessary for governance, the Company has responded by (1) (ii) Establishing a permanent Quality Feedback Channel, a learning program for all employees as part of the (1) (iii) Development of a quality compliance learning program, (1) (iv) Reviewing the operation of the Quality Assurance Regular Meeting, (2) (i) Strengthening the independence and control of the quality assurance organization, (ii) Review of quality escalation rules and reporting lines, and (iii) Implementation of quality audits. In addition to continuing to improve the operation of these measures, we will consider measures such as “strengthening the 4M change control system,” “optimization and transparency of design and development processes,” and “building a mechanism to prevent forgetting” as measures for the medium- to long term.

[Management of implementation of overall improvement measures and verification of their effectiveness]

Going forward, we will clarify the organization responsible for managing the implementation of these improvement actions and verifying their effectiveness. We will

also monitor and evaluate their implementation status and effectiveness, continuously review them, and consider additional measures based on the management situation.

By advancing these fundamental reforms of our corporate culture, systems, and processes together as a team, we are committed to transforming our operations to put customers first, take pride in manufacturing, and place top priority on quality, rather than relying on internal logic.

Abbreviations and Terminology

Item	Terminology	Definition
1	Third-party committee	A committee established in accordance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations after discovery of several documents suggesting that improper accounting practices had been carried out. Established on September 3, 2025.
2	Executive Responsibility Investigation Committee	A committee established for the purpose of investigating and examining whether or not persons who were Members of the Board of Directors, Audit & Supervisory Board Members, or Vice Presidents in the period from fiscal 2020 to the first quarter of fiscal 2025 were legally responsible for the execution of their duties in relation to the series of improper accounting issues revealed in the third-party committee's investigation report, in order for the Company to make appropriate and fair judgments based on the investigation report, including whether or not they were negligent in the execution of their duties, and to make reports and recommendations. Established on March 13, 2026.
3	Investigation Committee	A committee consisting of outside experts with extensive experience and expertise in investigating similar incidents for the purpose of conducting objective investigations to clarify detailed facts and determine the causes, and based on the results, recommending effective measures to prevent recurrence in order to strengthen our commitment to product quality. Established on May 13, 2026.
4	Third-Party Committee's Investigation Report	The collective name for the investigation reports received from the third-party committee on February 27 and April 17, 2026
5	Revised Improvement Plan and Status Report	The Revised Improvement Plan and the Status Report announced in the "Notice Regarding Disclosure of the Revised Improvement Plan and the Status Report" dated April 27, 2026
6	FIR	NIDEC FIR INTERNATIONAL S.R.L., a consolidated subsidiary of the Company, located in Italy, under the control of the Appliance and Automotive Division's Appliance, Commercial & Industrial Motors Business Unit
7	FIR Issue	The trade transaction issues and tariff issues relating to FIR
8	Techno Issue	An issue in which Nidec Techno Motor Corporation, a subsidiary of the Company, notified the Company's Audit and Supervisory Committee on July 22, 2025 of suspected improper accounting in late September 2024 by Nidec Techno Motor (Zhejiang) Co., Ltd., the Company's Chinese subsidiary, in connection with a lump-sum payment (worth 10 million yuan, or approximately 200 million yen) representing a discount for a purchase from a supplier

9	Elesys Issue	An issue in which Nidec Elesys Corporation (currently the Traction Business Division of Nidec Corporation's Automotive Motor & Electronic Control Business Unit) is suspected to have declared to customs, without just cause, a lower-than-proper price for the gratuitous transactions of its used products when exporting them to China
10	Swiss Consolidated Subsidiary Issue	An issue in which the Company's consolidated subsidiary in Switzerland is suspected of not having taken appropriate measures for conducting export transactions without the necessary registration
11	Chinese Consolidated Subsidiary Issue	An issue in which a Chinese consolidated subsidiary of the Company is suspected of intentionally underreporting withholding income taxes in the consolidated fiscal years, including the previous fiscal year
12	ACIM	Appliance, Commercial & Industrial Motors Business Unit
13	NAHC	NIDEC AMERICAS HOLDING CORPORATION
14	NMC	NIDEC MOTOR CORPORATION
15	NGANA	NIDEC GLOBAL APPLIANCE NORTH AMERICA
16	NCJ	Nidec Corporation
17	NDTC	NIDEC Drive Technology Co., Ltd.
18	AMEC	Automotive Motor & Electronic Control Business Unit
19	TRM/INV	Traction and Inverter Division
20	SPMS	Small Platform Motor & Solutions Business Unit
21	AAD	Appliance and Automotive Division
22	NPe	NIDEC PSA EMOTORS SAS
23	MOEN	Motion & Energy Business Unit
24	AeroSpace	NIDEC AEROSPACE LLC
25	NMOJ	Nidec Mobility Corporation
26	NIST	NIDEC Instruments Co., Ltd.
27	NTMC	NIDEC Techno Motor Corporation
28	NATC	NIDEC Advance Technology Co., Ltd.
29	NPSC	NIDEC Powertrain Systems Co., Ltd.
30	NAMC	NIDEC Advanced Motor Co., Ltd.
31	President	Representative Director and President
32	Mr. Nagamori	Shigenobu Nagamori, the former global group representative
33	Special audits	From around 2011 to June 2020, a specific employee belonging to the Corporate Administration & Internal Audit Department received special orders from Mr. Shigenobu Nagamori, who was President and CEO of the Company at the time, to investigate issues where improper accounting was suspected.

34	Accounting voluntary inspection	Investigations of the appropriateness of accounting practices at the majority of group companies for the fiscal year ended March 2020 through the first quarter of the fiscal year ending March 2026, conducted under the control and supervision of the third-party committee since November 2025
35	NIAP	The Group Accounting Policy “Nidec global Accounting Policy.” This is a Group-wide Accounting Policy that was established as regulations with the introduction of IFRS in 2017 and is being developed and implemented throughout the group companies
36	Request for exception	A mechanism for applying to the accounting department to have the selected accounting policy approved for an accounting treatment that cannot be uniquely determined only from the description in the NIAP
37	Group Policy	Collective term for rules, etc. that should be made known to all corporations in the Group, such as the Group Governance Policy, etc.
38	Global Executives	The Executive General Managers of AAD, MOEN, AMEC, SPMS, and NMAB, who directly report to the President of the Company
39	Individuals	Individuals who served as directors, auditors, or executive officers during the period from the fiscal year 2020 through the first quarter of the fiscal year 2025, which is the period subject to investigation by the Executive Responsibility Investigation Committee
40	Quality Feedback Channel	A contact point for all employees to report concerns about quality control
41	Quality-related misconducts	Misconduct such as changes in materials, processes, designs, etc. that were not confirmed by the customer
42	4M changes	A change made to “Man,” “Machine,” “Materials,” or “Methods” used in the manufacturing, testing, or inspection of a product
43	4M change rule violations	Carrying out a 4M change without following prescribed procedures required under agreements with customers
44	Quality Escalation Rules	Reporting criteria established between the CQO, the Company’s Global Quality Management Division and the persons responsible for quality assurance at each Business Unit, Group company, and site regarding important quality-related issues such as 4M change rule violations and falsification of quality data