

NIDEC Discloses Improvement Plan and Status Report for Internal Management System, Etc.–JCR Will Continue Closely Monitoring Investigation Report by Third-Party Committee and Monetary Impact on Consolidated Financial Statements

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the disclosure of an improvement plan and status report (the "Improvement Plan") by NIDEC CORPORATION (security code: 6594).

- (1) NIDEC CORPORATION (the "Company") announced on January 28 that it has prepared and submitted the Improvement Plan to improve the internal management system, etc. to the Tokyo Stock Exchange ("TSE"). Its stock was designated as Security on Special Alert by TSE on October 28, 2025. Subsequently, the Company set up the Nidec Corporate Reform Committee on October 30 and has since then conducted independent internal investigations in parallel with the third-party committee investigations. The Improvement Plan involves an anticipatory analysis of the structural causes, such as systems, processes and corporate culture, on the assumption that the suspicions of improper accounting practices are true and spells out improvement measures based on such analysis. Following the upcoming investigation report by the third-party committee and other internal investigation reports, the Company will review and reassess the content of the reports.
- (2) In the Improvement Plan, the Company has identified the corporate culture of prioritizing the opinions of the former representative, Mr. Nagamori, governance vulnerabilities, internal control weaknesses and other factors as the causes and outlined a policy to strengthen the internal management system going forward by, for instance, reforming the corporate culture, enhancing compliance education and clarifying responsibility. Meanwhile, the full extent of the improper accounting practices and their impact on consolidated financial statements are still unknown. Even though the disclosure of financial statements for the third quarter of the fiscal year ending March 2026 has been postponed, order activities, production status and so forth remain largely unchanged at this point, and the Company has announced that there has been no particular hindrance to business operations, including cash flow management. As regards the investigation report by the third-party committee, the committee is slated to report: i), by the end of February 2026, certain findings available at that point, including root cause analysis and recommendations for recurrence prevention measures; and ii), subsequently, the final calculation of monetary impact and other results. JCR will continue monitoring the investigation report from the third-party committee and monetary impact on consolidated financial statements, which will be reflected in the rating as appropriate.

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<Reference>

Issuer: NIDEC CORPORATION

Long-term Issuer Rating: AA Outlook: Stable

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