

Cover photos and pictures

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



CSR Report 2017

Contributing to the world
by making products that spin and move



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NIDEC CORPORATION



Electric motors power just about every present-day spinning/moving mechanism to make our lives easier, more convenient and comfortable. In the meantime, however, they could have a significant impact on the global environment due to their large power consumption, which, some estimate, comprises approximately half of all the power generated in the world. Over the years, Nidec has contributed to reducing global power consumption and CO₂ emissions through the energy efficiency of its motors and related products as the world's leading comprehensive motor manufacturer. Going forward, we will continue to make a difference by opening up a whole new level of efficiency, enabled through tighter integration of our industry-leading motor-drive expertise with advanced controllability and connectivity. Slowly yet constantly, we are poised to evolve into a "global comprehensive electromechanical device manufacturer" that is capable of bringing solutions to global issues a step closer.

Staying Competitive as a Socially Desirable Business Even 100 Years from Now



Nidec Corporation's mission is to contribute to the development of society and welfare of the general public around the world. Nidec aims to do so by supplying the highest quality products. Our company is sincerely and enthusiastically dedicated to the trinity of technology, expertise, and modern science. Thereby, Nidec strives to promote the prosperity of our society, our company, and all our employees.



Network Japan
WE SUPPORT

Solving the World's Issues

In August 2015, we participated in the United Nations Global Compact (UNGC) as part of efforts to take our CSR practices to new heights. In this initiative, we are committed to practicing the UNGC's 10 universally accepted principles in the four areas of human rights, labor, the environment, and anti-corruption, promising to be actively involved in the UN-advocated development goals. In such areas as anti-climate change measures, economic development of emerging economies afflicted with power shortage, and improving poverty-stricken people's living standards, Nidec will provide solutions indispensable for people's lives and for the future of the global environment.

Achieving high job satisfaction and economic development

While evolving as a solutions company, we will improve our productivity per employee to the level of quality companies in Europe and the United States. Achieving this target requires us to make necessary capital and educational investments based on our plan, and we will commit to investing for these purposes. Individual employees will, I hope, be able to achieve excellent results within a limited time, and use the time saved to spend on their private lives, skill improvement, etc., to become even more productive people with extensive knowledge. It is crucial for Nidec and its employees to grow together, for the company to stay competitive as a socially desirable company, even 100 years from now.

June 2017

Shigenobu Nagamori

Chairman of the Board,
President & Chief Executive Officer (CEO)

永年電信

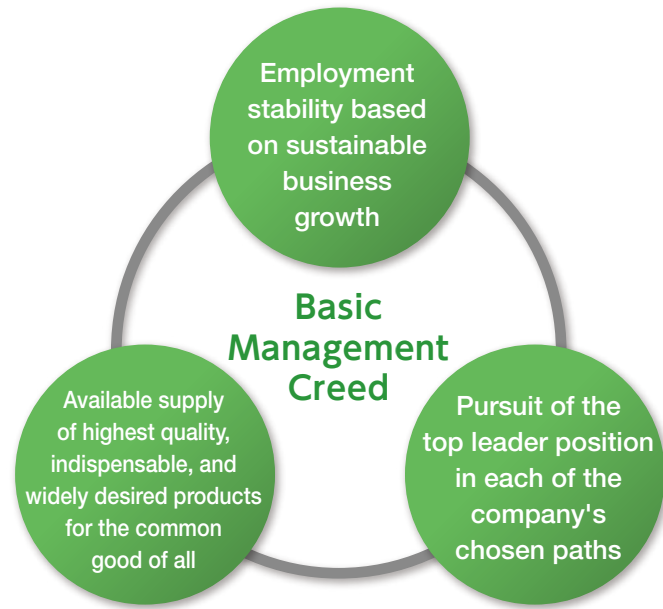
The Nidec Group Seeks to Become a World-leading Company

Since its foundation in 1973, Nidec has been providing the world with indispensable products to improve the quality of people's lives, while developing industries as the world's leading comprehensive motor manufacturer.

At the same time, we have achieved dramatic growth, both through organic growth and by expanding our fields of business using active M&A as a driver.

Today, Nidec offers a wide variety of motors ranging from micro-size to super-large, as well as application products and services in IT, office automation, home appliances, automobiles, commercial and industrial systems, environment and energy, and many other businesses.

In striving to be a world-leading company, Nidec will continue to take up challenges.



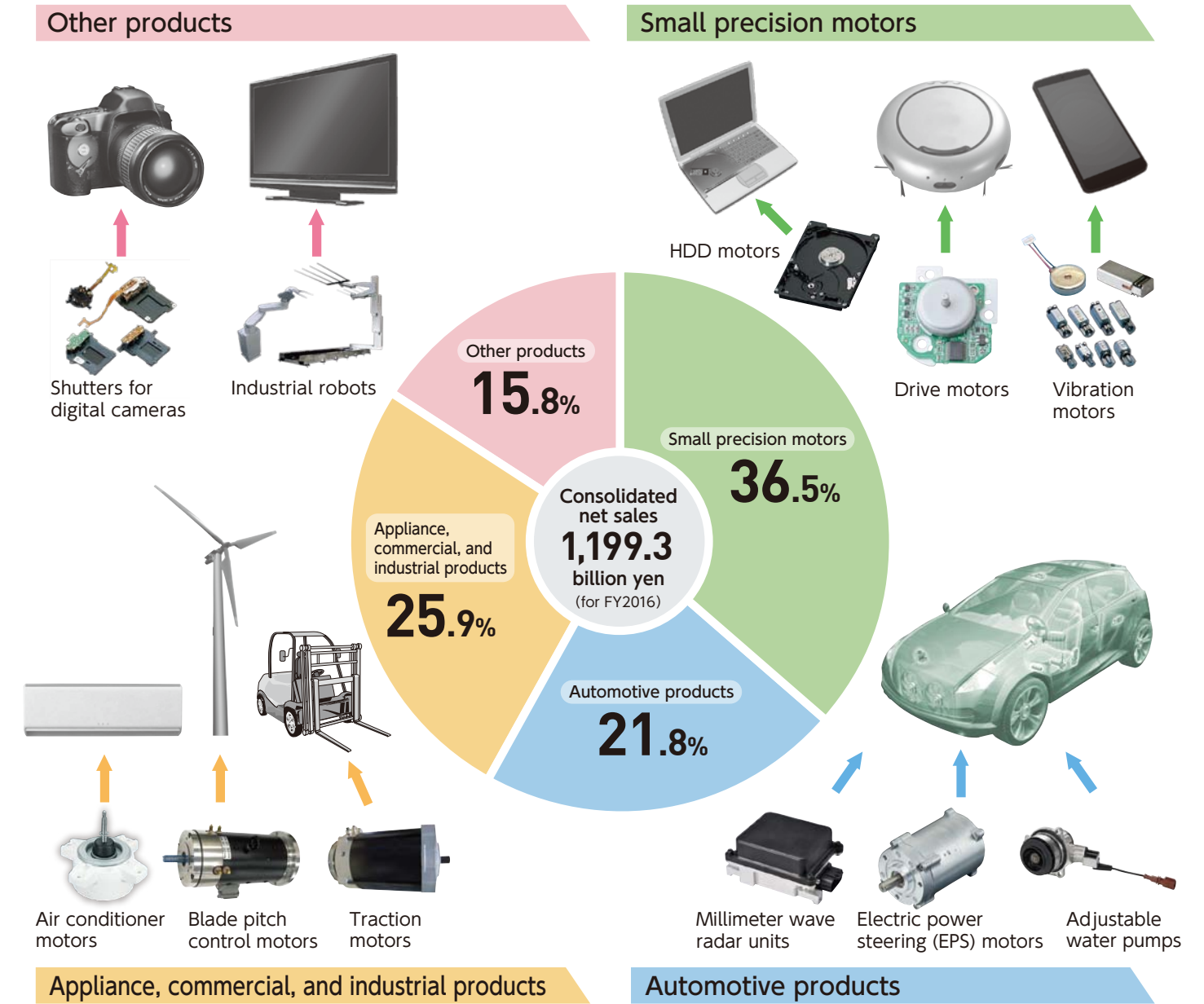
Business sites



297 Group companies with **107,062** employees

as of March 31, 2017

Sales mix by product category



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For Our Future

The Nidec Group creates and delivers to the world revolutionary solutions that contribute to the Sustainable Development Goals (SDGs), a set of initiatives that the international community addresses together.

» Achieving the SDGs

In September 2015, the “United Nations Sustainable Development Summit” was held at the UN Headquarters in New York, where 193 member nations unanimously adopted the “2030 Agenda for Sustainable Development to Transform Our World,” and set 17 goals (Sustainable Development Goals, or SDGs) as important guidelines for the international community to eliminate poverty by 2030 and realize a sustainable society.

Realizing the SDGs urgently requires efforts not only of nations and local governments, but also of private businesses and civic communities. The Nidec Group is determined to evolve into a solutions company that supports people’s lives and the global environment with its products that “spin and move” through the achievement of our mid-term strategic goal Vision 2020. We deliver to the world solutions that realize the SDGs, with a special focus on four of those goals that are deeply related to its businesses. (See the top portion of Page 6)

Sustainable Development Goals (definition provided by the United Nations Department of Public Information)

- “Sustainable development” is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”; and
- Realizing sustainable development essentially requires the three main elements, “economic development,” “social acceptance,” and “environmental protection.”





7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote sustainable industrialization and foster innovation.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.



13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

We will contribute to achieving these SDGs by 2030.

Using Solar Power to Bring Water to Agricultural Land in India

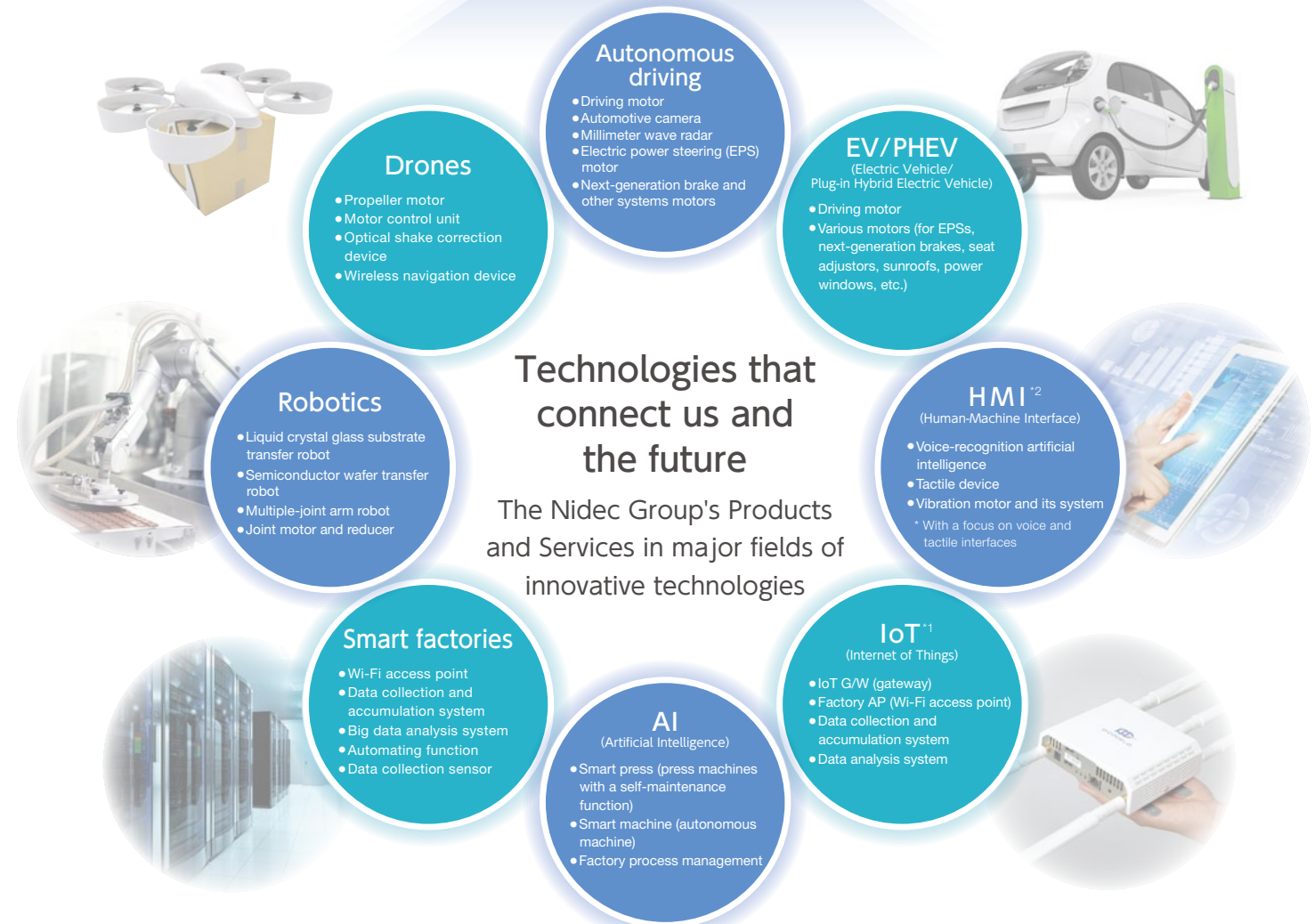
India, where more than 40% of the labor population engages in agriculture, has a major issue: There is not enough water for irrigation. In this country, approximately 35 million pumps are used to draw underground water to the land surface, and approximately 27 million of those pumps are electric, consuming nearly 20% of India’s electricity. The remainder, diesel pumps, require farmers to obtain fuel for them, while causing the problem of releasing CO₂ and air-polluting substances into the atmosphere. Based on Indian Prime Minister Modi’s request to Nidec in 2014, Nidec has been developing and distributing high-performance, solar-powered irrigation pumps systems that use our high-efficiency motor, IoT, and other technologies and knowhow. By working to over-come such issues as fluctuation of power supply due to climatic changes, stabilizing the performance of motors that are installed as deeply as 50 – 100 meters underground, and controlling the amount of water released from the pumps to be optimal for agricultural crops, we will stay committed to developing India’s agriculture.



Nidec’s first solar pump system installed in an Indian state-owned farm



Nidec’s second solar pump system installed in an Indian state-owned farm



*1 IoT (Internet of Things): An online network of all interconnected objects.

*2 HMI (Human Machine Interface): A general term for things such as devices and software, through which humans exchange information with machines.

The CSR That Nidec Aims to Achieve

Nidec's CSR (corporate social responsibility) comprises business activities that aim to conscientiously create products and technologies that contribute to society as well as far-sighted activities that benefit local communities.

Our CSR contributes to the world by making products that spin and move and that support a bright and prosperous future.



From Our CSR Officer

As Nidec grows larger, as a company aiming to achieve its FY2020 net sales target of 2 trillion yen and 10 trillion yen thereafter, so does its corporate social responsibility (CSR).

With motors consuming, according to some estimates, approximately half of all the electricity generated in the world, we as the world's leading comprehensive motor manufacturer that supplies any and all kinds of energy-saving motors, intend to contribute to society through our business activities first and foremost. In addition, our CSR comprises the sincerity with which we conduct our business, and our outside-work social contributions.

In 2015, the United Nations adopted "Sustainable Development Goals (SDGs)" for 2030. These goals depict in detail how the world should be in the future, in 17 different areas. These are the goals that nations and regions in the world should share with one another, and accordingly we, as a company engaging in business widely around the world, need to thoroughly understand the goals' importance.

Aiming to achieve our target net sales of 10 trillion yen, we intend to integrate our core, driving technology nurtured on our motor production, with control, communications, and other new technologies, to evolve into a "global comprehensive electromechanical device manufacturer that solves issues facing the world." Thus, Nidec will achieve its CSR with each of its employees contemplating and accumulating what he/she can do to create both social values and economic ones for the company's growth.

Your continued understanding and advice will truly be appreciated.



Akira Sato
Executive Vice President and Chief Financial Officer (CFO)

CSR Vision 2020

Under the new CSR Vision 2020, formulated based on the Vision 2020 medium-term strategic goal launched in FY2016, we execute actions in eight areas of focus. These were selected from the three categories of the environment, society, and governance (ESG).

These themes were selected based on the levels of expectation and request for them, based on our dialogue with our customers, business partners, local communities, governments, employees, shareholders, civic communities, and other stakeholders, as well as on their level of importance identified in our internal survey based on the Nidec Group's corporate structure, business philosophies, strategies, etc.

	Priority Issues	Target	KPI
 Environment	Environmental load reduction	Consistent reduction in energy consumptions and environmental emissions attributable to operations	5% reduction (intensity) from FY2015 benchmark
	Environmental contribution through products	Quantitative assessment of product-specific environmental performance	Overall framework in place for measuring total CO ₂ emissions reduced per year
	Environmental conservation	Active participation in local environmental conservation efforts	Specific action program in place at each business unit
 Society	Diversity	A diverse workforce and leadership	Specific action program in place at each business unit
	Globally competent talents	Training programs in place on a group-wide basis	Number of program participants or workshops held
 Governance	Corporate ethics	Code of Conduct aligned with internationally accepted standards	EICC*-based CSR management system covering 80% of operations worldwide
	Internal control	Consistent management soundness and transparency	Strict compliance with internationally accepted corporate governance guidelines
	Risk management	Highly viable risk management procedures implemented on a global basis	Global risk management system adopted by all operations

*EICC (Electronic Industry Code of Conduct): Internationally recognized standards for socially responsible business practices published by the Electronic Industry Citizenship Coalition for an entire supply chain's business activities, comprising five sections: labor, health and safety, environmental practices, ethics, and management systems.



Environmental Contributions through Our Products



According to some estimates, motors account for approximately half the world's power consumption. At present, a majority of those motors are AC, brushed DC, and other inefficient motors. Nidec delivers high-efficiency brushless DC motors to the world to improve the efficiency of entire motors, and contribute to reducing motors' power consumption, while providing solutions to support the diffusion of renewable energy sources and be part of the global energy-saving and de-carbonizing initiative.

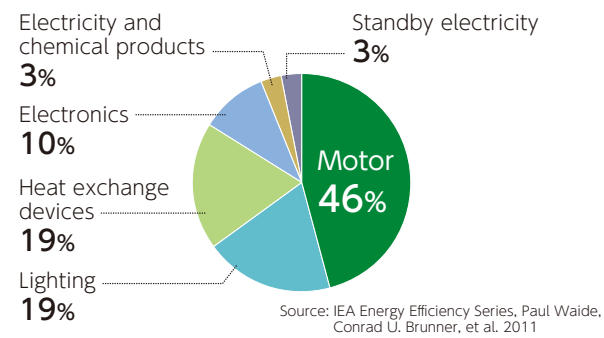
Meeting "Energy-saving and De-carbonizing" Needs

At the 21st Session of the UNFCCC-Conference of Parties (COP21) held in Paris in December 2015, "the Paris Agreement," a global framework to curb CO₂ emissions toward 2020 and beyond, was adopted. Though actions based on the agreement differ among its signatory nations, the Paris Agreement established an international mid- and long-term direction of saving energy and reducing carbon emissions.

It is our belief that supplying to the world motors that are more energy-efficient than conventional ones is one of the most fundamental social responsibilities for Nidec, the world's leading comprehensive motor manufacturer. Also, in the field of renewable energy, we use our group's smart grid technology to utilize power efficiently in power generation, transformation, distribution, etc.

Nidec's fifth medium-term environmental conservation plan, launched in FY2016, quantifies the greenhouse gas reduction effects when the Nidec Group's products are actually used, describing these as "the amount of environmental contribution." The amount "visualizes" correlations between the amount of Nidec's environmental contribution and its sales and profit, enabling us to grow our businesses while contributing to environmental protection. Our ultimate goal is to see Nidec's total amount of contribution through the use of our products exceed the total amount of the environmental load discharged in the process of our business activities.

Breakdown of Global Power Consumption



Nidec's Major Areas of Environmental Contribution

- Provide high-efficiency, energy-saving motors
- Provide renewable energy systems

Environmentally contributing products include

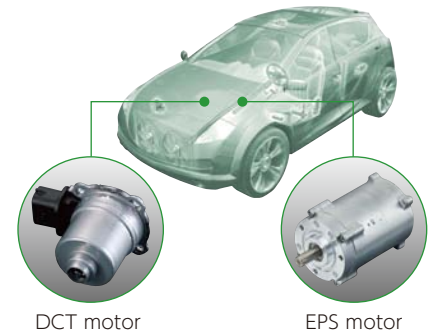
- Automotive motor (EPS motor, etc.)
- SR motor
- Inverter air conditioner motor
- High-efficiency motor that meets the IE3 (premium efficiency) regulations
- Renewable energy system (photovoltaic generation, wind power generation, etc.)

Providing High-efficiency, Energy-saving Motors

Automotive Motors

EPS Motors

The key to curbing automobile-generated CO₂ emissions is to suppress engine load to improve fuel efficiency. It is in this regard that many automobile manufacturers in the world promote the use of the EPS (electric power steering) system, which, compared with the hydraulic power steering system, improves fuel efficiency by approximately 5%.

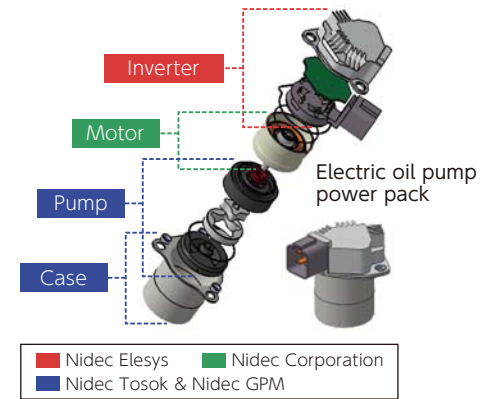


DCT Motors

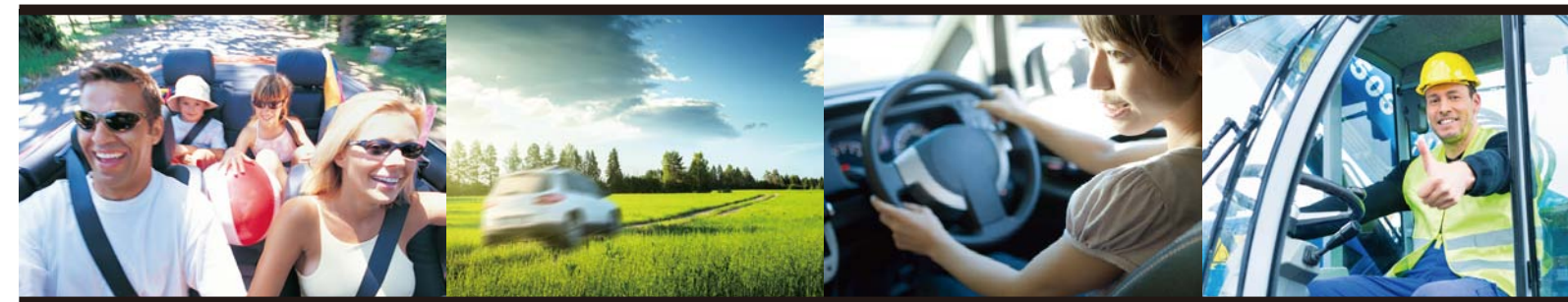
A trend is emerging in Europe and China where the DCT (dual clutch transmission) system, which is as operable as the AT (automatic transmission) system and yet capable of improving fuel-efficiency performance, is chosen to be used in vehicles. Compared with the AT system, the DCT system can improve fuel efficiency by approximately 9%.

Electric oil pump motor

The idling stop function, which stops the engine when the vehicle is parked, temporarily stopped, waiting for a traffic light, etc., can improve its fuel efficiency by approximately 5 – 8%. Realizing this improvement requires an electric oil pump motor, which can maintain the hydraulic pressure of the transmission in the engine when it stops.



The Nidec Group supplies automobile manufacturers with groups of products that effectively improve fuel efficiency, and that help curb CO₂ and air pollutant emissions.



SR Motor for Large Vehicles

The Nidec Group, in addition to other motors, develops and produces SR (Switched Reluctance) motors*, which are used, instead of conventional engines, to drive construction equipment, mining & agricultural vehicles, and other industrial vehicles.

Industrial vehicles' operating sections function by hydraulic pressure, and an engine is installed in these vehicles to enhance it. The SR motor accumulates the electricity generated by such an engine in a battery, and utilizes the electricity, spending energy very efficiently. This is how SR motors significantly save energy and reduce CO₂ emissions when vehicles operate.

*SR (Switched Reluctance) motor: Motor that does not use magnets (rare earth-free).





Environmental Contributions with Our Products

EV & HEV SR Motor System (SiC Inverter-installed SR Motor System)

The Nidec Group has developed an inverter equipped with an SiC (silicon carbide) semiconductor device that is superior to the conventional Si (silicon) semiconductor in loss, withstanding pressure, high-pressure operation, etc. We combined the inverter with an SR motor to make a lighter and more compact system. The use of SiC with the inverter led to a significant reduction of electric loss, while the lighter weight helped batteries to consume less electricity. These features have enabled us to minimize the power consumption of EVs and HEVs, leading to a dramatic reduction in CO2 emissions.



Inverter Air Conditioner Motor

The inverters, installed in air conditioners, which are used in growing numbers worldwide, control their motors' rotating speed, save energy significantly, and control air volume, helping air conditioners evolve into energy-saving, low-noise, and comfort-conscious products. The brushless DC motor, one of the Nidec Group's flagship products, is an essential component in these inverter air conditioners. Producing these motors in China, Thailand, and many other parts of Asia, we modularize them with blowing motors and inverter circuits to make high-performance motors, which are delivered to air conditioner manufacturers worldwide, while helping individual countries to reduce their electricity consumption.

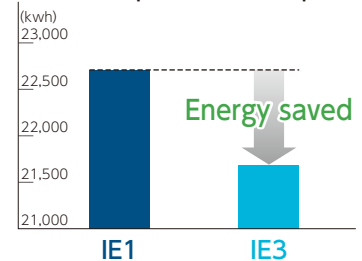


High-performance Motor that Meets the IE3 (Premium Efficiency) Regulations

In Japan's industrial sector, approximately 75% of electricity produced is estimated to be spent on motors.*1 If Japan's industrial motors, almost all of which are currently at the IE1 (standard efficiency) level, were to be replaced entirely by IE3-level (premium efficiency) motors, it is estimated that a significant amount of power would be saved – 15.5 billion kWh per year,*2 and such savings would also be effective for many other countries in the world. The Nidec Group has been producing the "NEMA Premium Motor," an industrial motor that meets the US's NEMA*3 standard (equivalent to IE3), since 2011, and started, ahead of the regulations, the supply of IE3-level motors in September 2014. Furthermore, we have already developed advanced IE4- and IE5-level motors as part of our efforts to dramatically improve the energy efficiency and CO2 emissions reduction records of the world's industrial equipment.

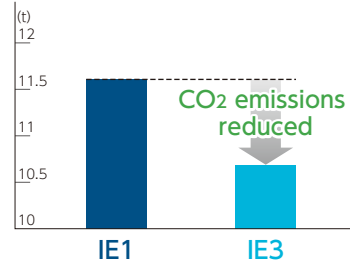


Annual power consumption

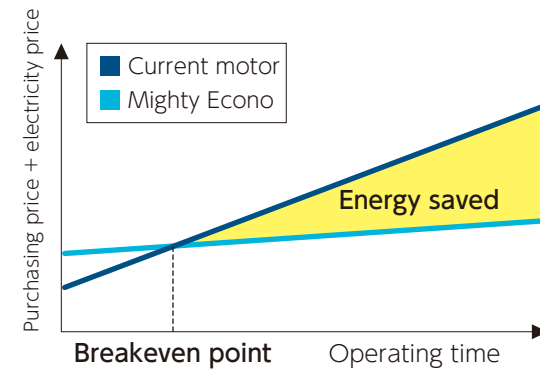


Annual power saving per unit:
App. 1,100 kWh

Annual CO2 emissions



Annual CO2 emissions reduction per unit:
App. 560 kg



The above chart is based on an energy-saving and CO2 emissions assessment of Nidec Techno Motor Corporation's "Mighty Econo" motor (IE3 level), in which the energy-saving effects were calculated based on a scenario where a 7.5 kW, 4P, 50 Hz motor was operated for 10 hours a day and five days a week for a year. More energy will be saved with more units operated for a longer period of time.

Providing Renewable Energy Systems

Contributing to Realizing a Stable Power Supply and a Low-carbon Society

Nidec ASI, a company that handles everything concerned with renewable energy – from power generation to storing to transmission and distribution – offers system solutions to supply low-cost power reliably and stably to both large-scale facilities such as hospital and shopping malls, and remote places such as small regional villages.

The company smart micro-grid project integrates photovoltaic, wind, and other power generation systems with batteries, successfully developing a micro-grid technology that ensures optimum power management. Using this technology, Nidec ASI delivers stable power to various areas in the world where power supply has been unstable.

In its BESS (Battery Energy Storage System), Nidec ASI has developed and offers a power storage system that temporarily stores surplus electricity in a regional power network, and releases the electricity when power supply becomes unstable, to ensure stability of the power supply.



Micro-grid system in Chile



BESS (Battery Energy Storage System) system in Germany



Photovoltaic power generation plant in a suburb of Ciminna, Sicily, Italy

Project report 1

Smart Micro-grid Solution

In this project, we installed a large-scale power storage system in the village of Ollague, located 3,660 meters above sea level in the Andes Mountains which run through Chile in South America, to supplement the electricity generated by solar, wind, and other energies, which were unable to provide a stable supply. In addition, we launched a new project to integrate the existing diesel power generators with our new system, to provide a stable supply of electricity.

Now, with the necessary power supplied constantly, 24 hours a day, people in the Ollague village are able to read even at night, while TV sets, refrigerators, and other appliances are starting to be used widely in the village.

Project report 2

The World's Largest-class BESS Project

In November 2016, Nidec ASI delivered the world's largest-class BESS (Battery Energy Storage System), with a total capacity of 90 MW, to STEAG, Germany's major electric power company. This project, which uses six of Nidec ASI's large-scale BESS systems, further improves the safety and efficiency of the transmission network in Germany, where renewable energy is used at an increasing pace, contributing tremendously to suppressing greenhouse gas emissions and reducing electricity costs.

We will stay committed to improving the BESS systems' reliability, power storing capability, price and cost, to develop and integrate highly reliable energy infrastructures that makes renewable energy more convenient to use.



Environmental Burden Reduction & Natural Environment Conservation through Our Business



The entire Nidec Group is promoting a rise in awareness of environmental load, an important element related to business activities, and suppression of the load, as part of the group's intensity-based, environmental efficiency improvement initiative. We try to contribute to natural environment conservation via our business activities, while promoting our employees' contributions, made via volunteer activities and donations.

Environmental Load Reduction via Business

Overview of Nidec's Environmental Burden

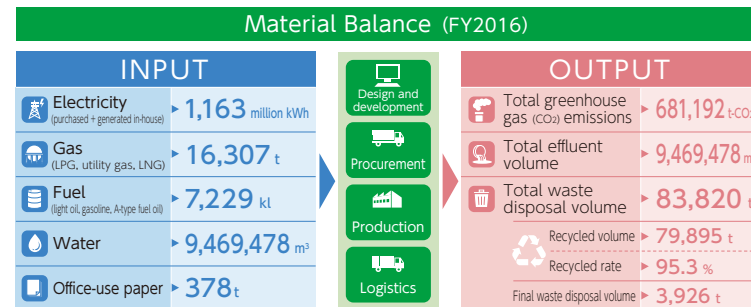
Nidec continuously monitors the overview of its business-generated environmental load to better manage the environment. With a majority of our business-generated greenhouse gas emissions attributed to power and fuel consumption, our production sites' better use of energy is the key to reducing the greenhouse gas emissions.

Outlook of Nidec's Fifth Medium-term Environmental Conservation Plan (ECP5)

Since designing and launching its first three-year medium-term environmental conservation plan (ECP) in FY2004, we are now engaging in environmental load reduction actions in the areas of greenhouse gases (CO₂), electricity, water, and waste disposal, under the fifth medium-term environmental conservation plan (ECP5), which covers FY2016 – FY2018. This plan aims to reduce the three-year average of the results in these areas by 3% on an intensity basis* from base year FY2015 levels. After realizing, based on the FY2016 results, that electricity usage and final waste disposal volume are the two major issues in achieving the fifth medium-term environmental conservation plan's targets, we are now posed to launch such actions as reducing power usage during new equipment introduction and production line change, as well as suppressing the disposal volume of unused goods during factory transfer.

* Intensity basis: Per employee for non-production sites, and per US\$1,000 for production sites.

Overview of Nidec's Environmental Burden



Change in the Number of Sites

	FY2012	FY2013	FY2014	FY2015	FY2016
Non-production sites	12	14	14	15	15
Production sites	61	65	63	76	76

* The fifth medium-term environmental conservation plan (ECP5) covers Nidec Group companies that were part of the Group as of the base year FY2015.

FY2016 Results against FY2015 benchmark year

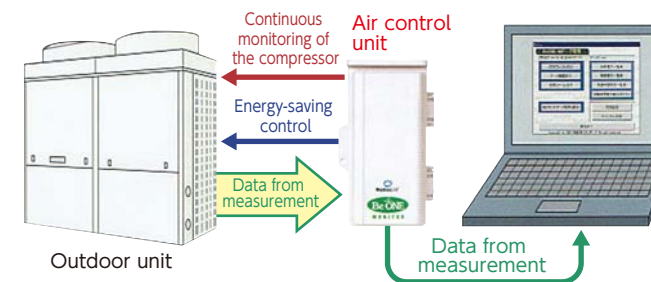
	Non-production sites	Production sites
Greenhouse Gases (CO ₂)	Down 10.5%	Down 3.1%
Electricity	Down 8.5%	Down 0.2%
Water	Down 14.3%	Down 7.6%
Waste Disposal	Down 25.3%	Up 0.4%

Major Actions to Reduce Environmental Load

As we are resolved to save energy and reduce CO₂ emissions, Nidec's individual business sites are planning to introduce high-efficiency equipment, operate existing equipment better, and redesign the overall manufacturing process. For example, in introducing energy-saving equipment, our manufacturing site in Vietnam monitored the operating status of the compressors inside the equipment's outdoor unit and suppressed the compressors' operations. Now, the site, which used the Joint Crediting Mechanism ratified by Japan's Ministry of the Environment, expects to reduce its annual CO₂ emissions by approximately 4,600 tons.

In addition, in disclosing information on CO₂ emissions and climate change management via the "Carbon Disclosure Project," we disclose all relevant information, including information on Scope 3 emissions by companies in our supply chains.

As part of the efforts to reduce environmental load in our supply chains, Nidec's business sites request their supply chain partners to submit an agreement on environmental actions to support them to improve their environmental efforts.



Environmental Conservation Actions

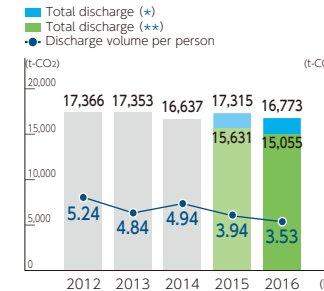
The world's biodiversity is tremendously affected by climate change. The Nidec Group engages in indirect biodiversity conservation via product-based environmental contribution and environmental load reduction through business activities, while trying to conserve biodiversity more directly via such actions as water discharge management with consideration of the effects on the ecosystem.

In addition, as part of our volunteer- and donation-based contributions, we launched a "Nidec Green Campaign," participating in forest maintenance and satoyama (a mountain close to a rural settlement habitat) conservation in Japan, while engaging in reforestation and green-area cleanup outside Japan. The Nidec Group companies in Thailand started mangrove planting in FY2007, with a record number of 328 people (employees and their families) participating in June 2016. In this activity, a total of more than 10,000 mangrove trees have been planted so far. Our environmental conservation activities also include special menus at employee cafeterias, and donating part of the sales revenue from private brand goods to the Kyoto Model Forest Association.

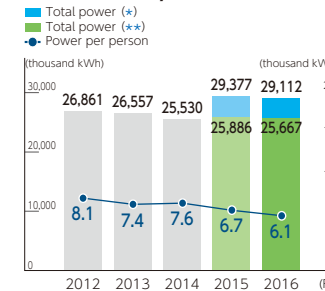


Non-production sites

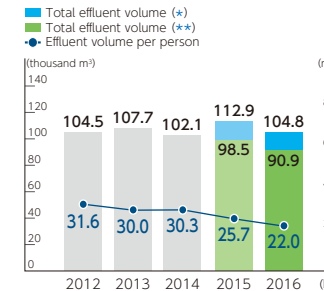
Greenhouse Gases (CO₂)



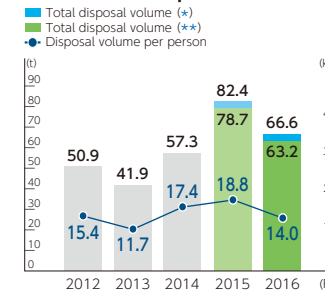
Electricity



Water



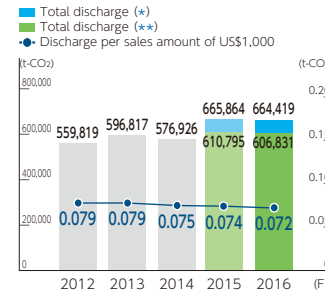
Waste Disposal



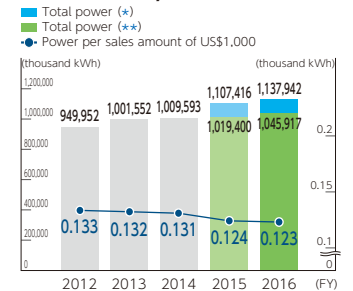
* (additional in-scope sites under ECP5) ** (in-scope sites under ECP4)

Production sites

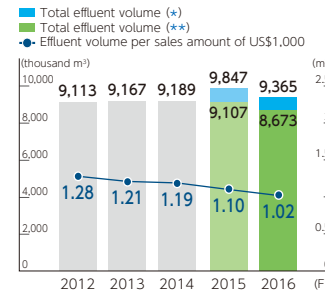
Greenhouse Gases (CO₂)



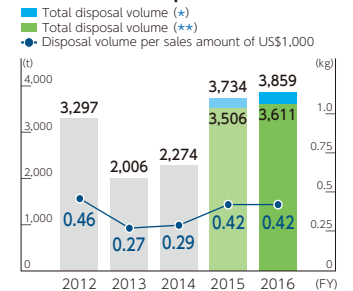
Electricity



Water



Waste Disposal



Environmental Performance

<http://www.nidec.com/en-Global/sustainability/environment/re-impact/kpi/>



SDGs & My Vision

Here's what Nidec employees think they can do individually via work to achieve the Sustainable Development Goals (SDGs) that UN member nations adopted to achieve in 2030:



Italy
Nidec ASI S.p.A.
Carolina Martinez Arias

My Vision

"I bring passion to financially managing my company's various businesses that use motor drive technologies contributing to the global environment. My passion is especially deep when it involves photovoltaics, wind power, and water power generation, power storage systems, and other solutions that enable access to renewable energy. I think securing profit from these projects is an important element in the more active utilization of renewable energy."

Japan
Nidec Corporation
Moe Ishii

My Vision

"During the ongoing work style reform, I was able to make improvements through utilizing a system enabling me to create documents more easily, make more versatile changes to the formats of similar documents, and consolidate them to be able to work more efficiently. Now I can work on HR-related tasks that I have not been able to tackle so far. I will stay committed to designing systems and providing support to improve our work environments."

Indonesia
PT. Nidec Sankyo Precision Indonesia
Sri Endang Suciati

My Vision

"Indonesia is known as a country where a large area of its forest has been lost to deforestation. Since realizing this fact, I have been using less paper at work, to protect my beautiful country. In addition to us using both sides of the paper, and using paper for secondary purposes such as writing memos, our customer are now becoming more and more cooperative with us submitting double-sided documents. I will be happy to be able to spread this resource-saving initiative, even if only to a limited extent."

Mexico
Compañía de Motores Domesticos SA de CV
Martha P. Campa Mireles

My Vision

"I manage the quality of our production process to improve our high-efficiency motors. I believe that we will be able to suppress climate change in the world by producing high-quality and high-efficiency products and improving the customer satisfaction level. I will make sure that we work unitedly, and identify an optimum production process to achieve Goal 13 of the SDGs, while, when requested by a customer, analyzing and solving issues by seeing such a request as a chance to improve our quality management system."

U.S.
Nidec America Corporation
John Lesslar

My Vision

"As an Engineer at Nidec, I strive to aid customers to prioritize energy-efficient practices and promote clean energy technologies that will accelerate the transition to an affordable, reliable and sustainable energy in the future. Our shared vision is the catalyst in achieving the goals of the industry."

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

My Vision

"My work is to keep work environments in a state where employees can work free of labor disasters and feel safe and happy. I will stay committed to working not only with other departments but also with government officials to conduct our company's CSR activities even more actively, and make our work environments even better than they are now, and spread safety-, environment-, and hygiene-related knowledge so that all employees understand them."

U.S. Nidec Elesys America Corporation
Gregg McMichael

My Vision

"My role at NESAs is to champion sustainable consumption for the factory. One area of great importance is the recycling and reuse of consumable materials NESAs uses to build our electronic control boards. My vision is to have a factory that recycles 100% of what it uses and does not send any waste to landfills. We created an environmental management system as a way of reducing pollution and minimizing the negative impact our operations have on the planet. Today, our company recycles 85% of all the materials that we use in our factory. Our employees are very proud and everybody is working hard to reach our goal of 100% recycling. One of the biggest challenges we face is to convince suppliers to adopt sustainable practices. Another challenge we experience is creating new and innovative methods for recycling and reuse that are cost effective. Due to our global business we use lots of extra packaging that cannot be reused or recycled and must be disposed of in the community landfill. I hope global NIDEC can work together as One Nidec to solve these challenging issues. All countries are connected by the Earth and we can work together to keep it beautiful for our children and their children."

Vietnam
Nidec Servo Vietnam Corporation
Nguyen Thi Ngoc Huong

My Vision

"My job is to facilitate employees' understanding of the importance of energy-saving initiatives. We manage the air conditioner control system that was approved in FY2016 as a JCM* supporting business. This system has enabled us to reduce our air conditioning system's power consumption by 22%. By making small but steady steps, I hope that we will be able to raise the energy-saving awareness not only of people of the Nidec Group, but also of people around the world."

Japan
Nidec Center for Industrial Science
Naoko Toyoshima

My Vision

"My job is to develop technologies to improve factories' productivity. I would like to develop cutting-edge technologies such as new methods to produce motors with a limited number of materials and components as well as inspection technologies that never overlook defective units, by working with inside and outside research organizations, and provide our group's manufacturing sites with those methods and technologies to offer our customers better products more quickly and at more reasonable prices than anyone else can."

U.S.
Canton Elevator, Inc.
Greg Rinehart

My Vision

"I am proud of the program we launched in 2016 to audit safety and working conditions in our manufacturing plant. Safety and hygiene consultants from the Ohio Bureau of Workers' Compensation working directly with our Environmental, Health and Safety Manager periodically perform inspections of all departments and processes in our plant. Equipment, air quality and noise levels in all work areas are checked to ensure compliance with federal Occupational Safety and Health Administration standards. This program has helped foster a better work environment for all."

Germany
Nidec Motors & Actuators (Germany) GmbH
Stefanie Straßer

My Vision

"At work, I pay most of my attention to how to build a sustainable production process by using the most appropriate materials and components provided by local suppliers. I work day by day with my team members to provide new solutions that maximize our customers' satisfaction and lead to sustainable relationships with our customers."

Taiwan
Nidec Research and Development Center, Taiwan
Lin Ming Tsan

My Vision

"Saving energy can slow down the pace of environmental destruction around the world. Some estimates suggest that motors account for approximately half of the global power consumption, making it very important for us to improve motors' efficiency. Our Research and Development Center engages in the development of high-efficiency motor drives for SynRM* and PMSM.* It is such an honor to be able to utilize Nidec's technologies to engage in wonderful activities to protect the global environment."

France
Nidec Leroy-Somer Holding
Mike McClelland

My Vision

"As a motor drive technology director, I propose high-quality and compact designs to develop top-level, high-efficiency products. Based on the synergies in the Nidec Group's R&D, production, purchasing, and other business activities, and also from my own experiences, I try to secure top-level performance of motor drives without sacrificing their reliability. The key to success will be the visualization of electronic control and modularization of motors."

Romania
Nidec Motor Corporation Romania
Cristian Recenau

My Vision

"My goal is to provide high-quality home appliance motors, and to build work environments where employees can work safely. I will be improving buildings, production processes, and work places inside factories to create sustainable environments where employees can work safely, more efficiently, and with environmental consciousness."

China
Nidec-kyori Machinery (Zhejiang) Corporation
Yang Yin Ping

My Vision

"I am a member of the Production Management Department, and minimize the amount of waste produced by trying to ensure eco-friendly management and production. I would like to improve my team management skills, and build work environments that are effective for them and me, so that we can provide our worldwide customers with top-quality press products."

U.K.
Nidec Control Techniques Limited
Muhammad Husaunndee

My Vision

My vision as R&D Project Manager is to leverage new technologies to rapidly create increasingly efficient, reliable and cost effective variable speed drives which enable more effective control of electric motors. This leads to more efficient systems overall, thus reducing energy consumption and carbon footprint in a wide range of applications such as automotive test rigs, manufacturing, port cranes and hoists, HVACR (Heating, Ventilation, Air Conditioning, Refrigeration) and elevators.

* JCM (Joint Crediting Mechanism): Bilateral crediting system launched by Japan's Ministry of the Environment.

* SynRM: Synchronous reluctance motor * PMSM: Permanent magnet synchronous motor

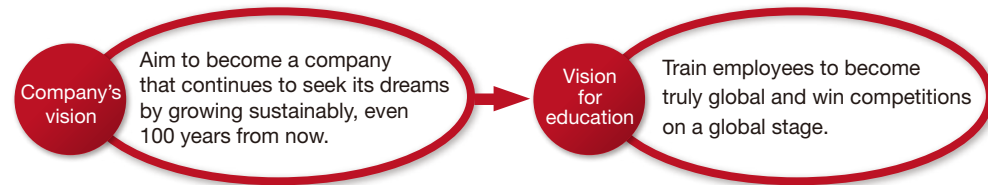
Diversity & Training Employees to Work Globally



To stay competitive as a socially desirable business even 100 years from now essentially requires us to train our employees based on a long-term plan so that they become a group of people who can work actively on a global stage. We will train our employees to become able to bring about an age of change, and work globally based on the three attitudes, "Passion, Enthusiasm, Tenacity," "Working hard and smart," and "Do it now; do it without hesitation; do it until completed."

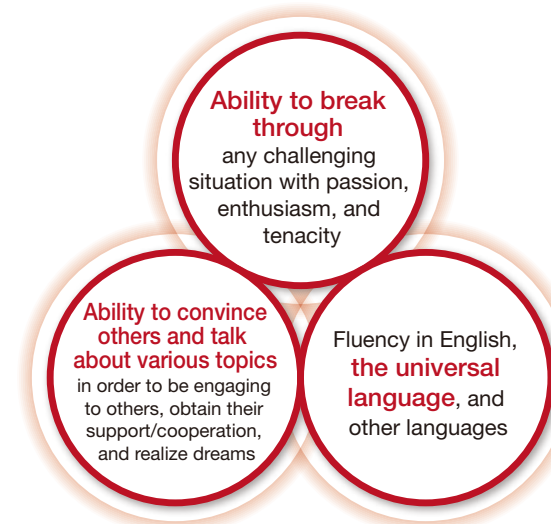


Nidec Corporation Head Office Annex Global Learning Center



Global Human Resources that Nidec Seeks

For the Nidec Group, which seeks to become a global company with a 2 trillion yen-level of net sales in 2020 and 10 trillion yen-level of net sales in 2030, training its employees to be able to work globally is of primary importance. Those focused only on a specific region such as Japan or Asia can no longer do business on a global stage. "Globalization" means communications with people of different cultures and realizing diversity. We define the following three elements as the necessary skills for employees who can work globally:



Using the "Global Learning Center," the facility which opened in March 2017, we will train our employees to be able to work globally based on these three elements.

Global Human Resources Training Program

The second session of the Nidec Global Business School began in July 2017. The school, which started in FY2016, saw the admission of 18 people from seven countries including Japan (Japan, China, the US, Thailand, the Philippines, Italy, and Germany), all of whom are working actively in various places of the world. In FY2017, we are accepting employees from a wider range of our workforce by also launching a "Next Generation Global Business Leader Training Program".

FY	Events
2017	Next Generation Global Business Leader Training Program starts.
2016	Nidec Global Business School opens.
2015	Nagamori Business School is established. Nidec Motor College starts.
2013	Internal language school opens with fluency level-based English lessons. Training programs are offered to group companies as well.
2012	Professional skill training programs start for engineers, sales personnel, etc. Challenge seminars, correspondence education programs (strategic thinking, leadership skills, etc.), and other programs start.
2010	A company-wide TOEIC (Test of English for International Communication) test is held (twice a year). English learning seminars are held at individual business sites.



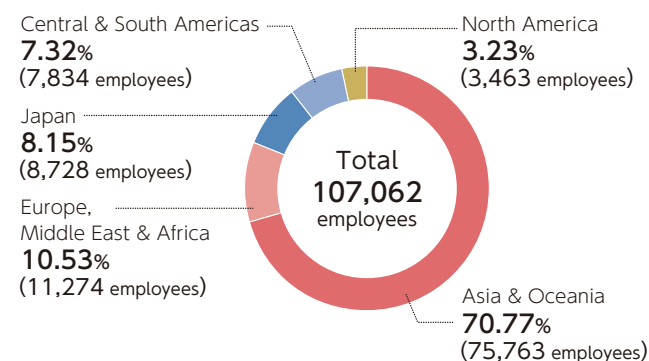
"The Challenging Road" The booklet that describes Mr. Nagamori's business and action philosophies, as well as Nidec's business policies and the Nagamori-ism

Respecting and Promoting Diversity

The Nidec Group recognizes diversity as the source of its competitiveness. As we conduct business globally, we respect and embrace the differences among those individuals who underpin and operate our group, while utilizing those differences to the maximum extent to effectively accommodate daily changing business environments and customer needs. Diverse people work for the Nidec Group, which has development, production, sales, and research facilities across the world. We ensure that we hire talented and passionate individuals with whom we can work beyond differences in gender, nationality, ethnicity, religion, and other qualities and philosophies, evaluate and appoint those who can demonstrate their full potential, and create work environments for that purpose.

We intend to improve the quality of our diversity management to a level where it works as our group's strength.

Employees by region



VOICE of a Nidec Global Business School graduate



Nidec Motors & Actuators (Germany) GmbH CEO **Olav Schulte**

Selected as an inaugural member of Nidec Global Business School

It was a great pleasure and honour to be one out of 18 students of Nidec's first Global Business School with participants from all over the world representing all Nidec divisions and many group companies. Over a period of 9 months the class came together in Kyoto 4 times for a full week to have profound business strategy training held by Professor Nawa, who was a very professional and inspiring coach and facilitator of this programme. In addition the class could enjoy several speeches by President Nagamori and the executive officers including intensive Q&A sessions. All this gave many valuable insights into Nidec's history, background of company roots, core values and the Nidec Way as well as a very comprehensive picture of future strategy, technology roadmap and business mission. On top of this, professional guest speakers and a Zen Buddhist Temple experience made this programme an exceptional event for all business class members and a life time experience, especially for non-Japanese participants like myself. In summary the training was an outstanding global team building event and the most favourable opportunity to internalize the Nidec Way and the spirit of 'One Nidec' being an exceptional corporation with excellent potential for sustainable future growth. It is my strong belief that initiating and establishing this programme as one of the Corporation's core pillars of global people development and promotion is a very important element going forward on executing Nidec Vision 2020. Thank you to everybody who made this programme possible and my best wishes for the global HR team to continue this initiative and make it a success story.

Our Responsibility for the Entire Value Chain

The Nidec Group keenly seeks to satisfy our customers based on the QCDSSS (quality, cost, delivery, service, speed, and specialization (differentiation)) system. When procuring materials, we apply the fundamental philosophy of giving all companies in the world fair opportunities for us to choose to purchase materials and components from them, based on fair evaluation. In addition, prior to our products' delivery into the market, we pay attention to all the actions by those who made them, and build relations with supply chain partners with excellent records in the areas of human rights, work ethics, health and safety, and environmental conservation.

Quality-based Customer Satisfaction

To answer various requests from our customers, Nidec's development, production, and sales departments work in an integrated way to improve the customers' satisfaction level and build good business relationships with them under a "Made in Market" strategy to develop, produce, and sell our products close to our customers and respond promptly to our customers throughout the world. This is how Nidec provides our customers with speedy and detailed customer-oriented services by operating very close to individual regions' markets.

QCDSSS Elements



In recent years, the quality of a company's products as well as that of the company itself is being tested, making it essential for a company to firmly achieve its corporate social responsibility (CSR) in order to maximize its customers' satisfaction. Accordingly, the Nidec Group, aiming to expand its global business continuously, revised its CSR from an international perspective in FY2014 and thereafter, and performs EICC*-based onsite audits to improve the CSR's practicality. In this joint project with an EICC certification organization, we have audited our 21 major production bases in Asia so far, launching a series of improvement actions. Each area's level of EICC compatibility based on the FY2016 audit results is as follows:

Labor: 69%; health and safety: 70%; ethics: 74%; the environment: 77%; and management system: 66%

Based on the above results, we will launch improvement actions, with a focus on labor management, emergency measures, and designing a documentation system.

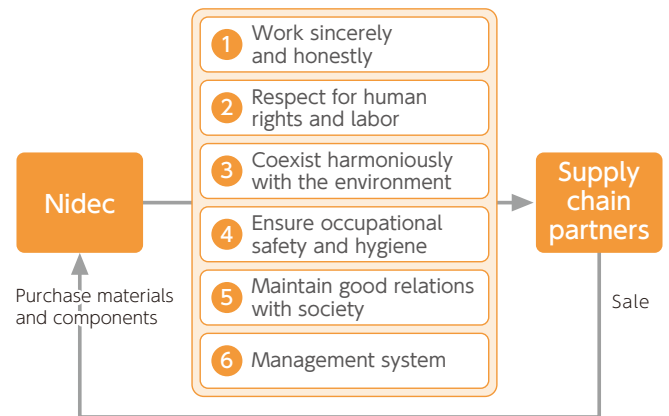
*EICC (Electronics Industry Code of Conduct): Internationally recognized standards for socially responsible business practices published by the Electronic Industry Citizenship Coalition for an entire supply chain's business activities, comprising five sections: labor, health and safety, environmental practices, ethics, and management systems.

CSR Procurement

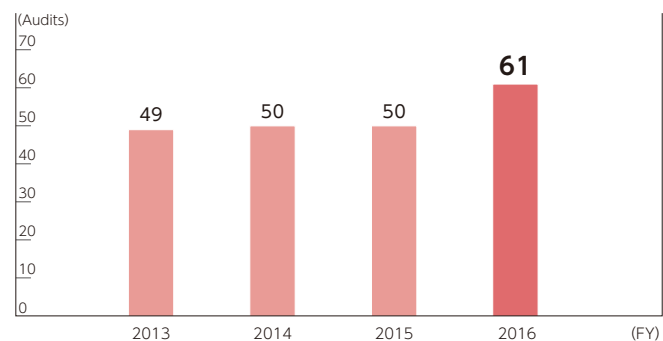
Collaborating not only with its own manufacturing sites but also with its supply chain partners, Nidec promotes CSR activities throughout its entire supply chain. When executing a basic business contract, we request those partners to comply with the Nidec Group's CSR Charter, while encouraging them to do business based on the specific guidelines provided for in the "Nidec Supply Chain CSR Promotion Guidebook," and supporting them to do so.

The Nidec Group, producing products in various countries in the world, has an extensive global supply chain. To comply with its own CSRs in production and other business activities, we hold CSR procurement seminars for major supply chain partners at our sites in individual countries, and perform an onsite audit based on each partner's reply in a pre-audit survey sheet. In FY2016, we held an onsite audit at the sites of 61 of our supply chain partners.

CSR-Based Procurement Flow



Number of supply chain partners covered in the CSR audits



For More Reliable Business Management

The Nidec Group constantly strengthens its business and business management system to build an infrastructure that underpins its global business activities. We also promote corporate ethics and compliance, the two basic elements enabling us to win society's trust, while working in earnest to secure business continuity in any emergency, including natural disaster.

Improving Our Governance System

Building and enhancing the global business management infrastructure

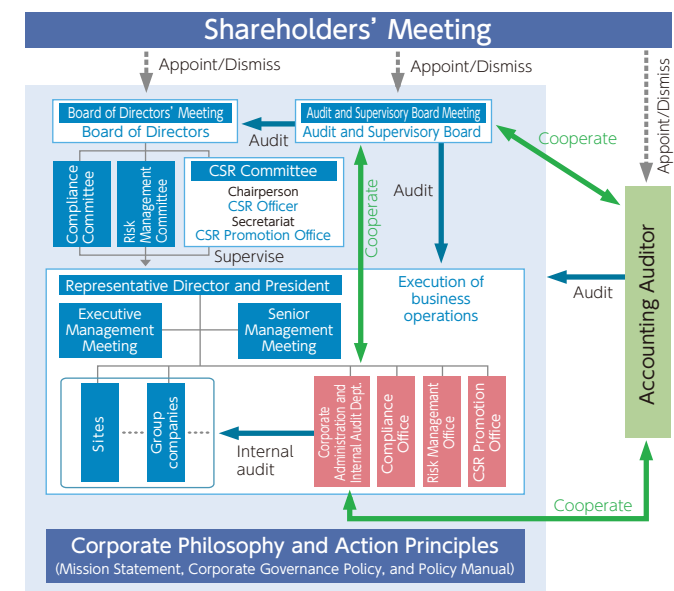
The Nidec Group promotes the quality improvement of its business management system, accounting standard, financial management, information disclosure system, and other elements based on global standards.

We must strengthen the basis of our growth strategy to promote the Nidec Group's autonomous global growth, and accelerate the pace of PMI (post-merger integration) after purchase of a company overseas. It is for these purposes that we promote building a five-region global management system. Specifically, this system aims to build regional management companies to improve Nidec's business management quality (governance, compliance, and internal control), and enhance the companies' functions.

Though the Nidec Group's organization has so far been based on a "federate" management system, where individual group companies were given autonomy in their business management, we will promote the "One Nidec" management system at an accelerated pace as our business becomes more and more globalized. The Corporate Administration & Internal Audit Department, which supervises the entire Nidec Group's internal control system, is building a global anti-fraud audit system, and further enhancing the internal control system based on the knowhow and experiences gained from the financial statement audit and the SOX Act audit (which was conducted when Nidec was listed in the US).

Also, we are improving our information disclosure system via an internal information disclosure committee and joint efforts among specialized departments.

Corporate Governance Chart



Promoting Compliance

We hold compliance seminars for our employees on topics such as cartel and bribery, with the awareness that crimes committed in this area would cause tremendous damage to the company. In FY2016, our legal personnel and others held compliance seminars/discussions at 90 business sites in the Americas, Europe, China, Southeast Asia, and Japan to further share understanding on such matters as "what acts would fall under violation," "what effects would be expected when a violation is committed," "how to act if in doubt," etc. In addition, during FY2016, we established the "Anti-Bribery Policy for the Nidec Group – Rules on Dealing with Government Officials, Suppliers, Agents and Customers", a set of internal anti-bribery rules to cover the entire Nidec Group. In FY2017 and after, we will work to improve the quality of group-wide seminars in order to have our employees better-educated on the anti-bribery rules.

Business Continuity Plan for Emergency Situations

Allocating risk managers at individual sites around the world, the Nidec Group has in place a system in which factors impeding our business continuity can be promptly detected and properly addressed. In addition, anticipating the occurrence of such risks as earthquakes, flooding, droughts, infectious diseases, and fires, we have been conducting BCP (business continuity plan) simulation training at domestic and overseas sites since March 2014. As of the end of March 2017, a total of more than 800 Nidec Group employees have participated in the training to improve their capabilities to perform effectively in their workplaces when an unexpected event occurs. In FY2017, we will continue to focus on BCP training and further promote a global risk-management system that can further enhance our safety management system at production sites and address geopolitical risks.



BCP training in Mexico



BCP training in Italy



Participating in a charity run
to help purchase medical equipment
for a university hospital



**Participating in a "Zero Trash"
project at the Gion Festival**
Reducing the amount of trash to make
one of Japan's three major festivals beautiful



**Holding an internal
zumba dance class**
Promoting employees' good health



Donating toys
Bringing smiles to children



Establishing a donated class at Kyoto University
Helping students to learn "advanced electrical appliance
engineering to realize a friendly global environment"



Lecture for senior high school students
Teaching them how to address
the world's human rights issues

For the Communities Action Album

The Nidec Group engages in a wide variety of activities in regional communities where we conduct business by looking to their future.



**Offering locally produced
food for national staff**
Fresh and tasty foodstuffs, which also
contribute to reducing CO2 emissions



Supporting a local traditional sport
Teaching children the fun of skating



**Promoting female
employees' advancement**
Work-Life Balance & Career Advancement Project



**Environmental class for
elementary school students**
Giving them an opportunity to
think about what they can do for
the global environment using motors



**Disaster training by establishing an alternative
police station in a conference room**
Agreement made with the local police department to
work together at the time of a disaster

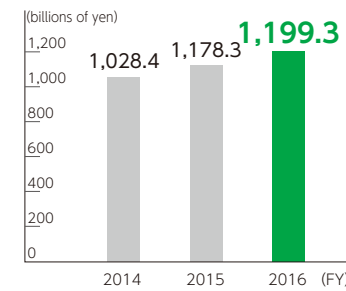


CSR award Commended by Thailand's
Ministry of Industry

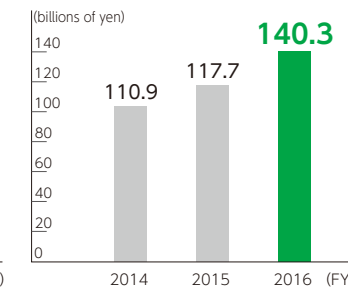
Corporate Profile

Company name	NIDEC CORPORATION	Founded	July 23, 1973
Brand name	Nidec	Paid-in capital	JPY87.78 billion (as of March 31, 2017)
Representative	Shigenobu Nagamori (Chairman of the Board, President & CEO)	Total shares issued	298,142,234 (as of March 31, 2017)
Address	338 Kuzetonoshiro-cho, Minami-ku, Kyoto 601-8205, Japan	Stock listings	First Section, Tokyo Stock Exchange

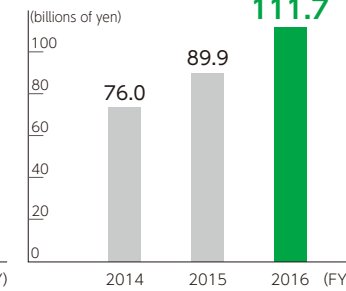
Sales (Consolidated)



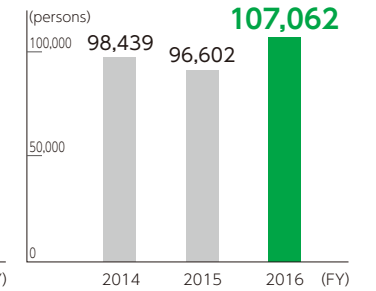
Operating Income (Consolidated)



Current Net Income (Consolidated)



Number of Employees (Consolidated)



About the CSR Report 2017

Editorial Policy

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

Scope of Report

Our CSR Report 2017 focuses mainly on the headquarters, domestic & overseas R&D facilities, and production sites of Nidec Corporation, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Elesys Corporation, Nidec Tosok Corporation, Nidec-Shimpo Corporation, Nidec Copal Electronics Corporation, Nidec Copal Corporation, Nidec Servo Corporation, Nidec-Read Corporation, Nidec Seimitsu Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation.

Reporting Guidelines

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan
GRI Sustainability Reporting Guideline, Version 4

Reporting Period

With a main focus on the company's activities during FY2016 (April 2016 – March 2017), this report includes activities ongoing from the past as well as information on the latest activities.

Publication

September 2017 (Previous edition: October 2016; Next edition: Scheduled for September 2018)

Publishing Office

CSR Promotion Office, Nidec Corporation

Editor's Note

Due to its active M&A activity, the Nidec Group is seeing its member companies and employees increasing on an ongoing basis, including approximately 12,000 people who have joined us since the previous edition of this report was issued a year ago. As we have done so far, we are distributing Japanese, English, and Chinese versions of this CSR Report to all our employees working in the various countries in the world, so that they share the "One Nidec" policy and work actively in the knowledge that they are Nidec employees. I hope that all Nidec employees, acting as members of the global community, and working based on the United Nations' Sustainable Development Goals (SDGs) we explained in this Report, will fulfill their social responsibility to help realize a sustainable society.



Masahiro Nagayasu
General Manager, CSR Promotion Office

Online Information Disclosure

<http://www.nidec.com/en-Global/sustainability/>

Find more detailed, timely information about Nidec's CSR and environmental activities on our website.

