



FOR IMMEDIATE RELEASE

Nidec Corporation
Tokyo Stock Exchange code: 6594

Contact:

Masashi Onishi
General Manager
Human Resource Planning
+81-75-935-6600
hrp.bucho@nidec.com

Released on April 24, 2018, in Kyoto, Japan

Notice Regarding Adoption of New Performance Share Plan for Members of the Board of Directors, etc.

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the “Company”) hereby announces that the Board of Directors of the Company, in its meeting held on April 24, 2018, resolved to adopt a new performance-linked and share based incentive plan (the “Plan”) for Directors (excluding Outside Directors), Executive Officers, and individuals who have the equivalent status (the “Directors, etc.”) of the Company, and Directors (excluding Outside Directors) and Executive officers of the Affiliate Company (the “Affiliate Directors, etc.”, “Directors, etc. covered by the Plan” along with the Company’s Directors, etc.).

Furthermore, the Company resolved to submit a proposal regarding the adoption of the Plan, targeting the Directors, etc. of the Company, for the approval the 45th Shareholders Meeting to be held in June 2018 (the “Shareholders Meeting”).

1. Adoption of the Plan

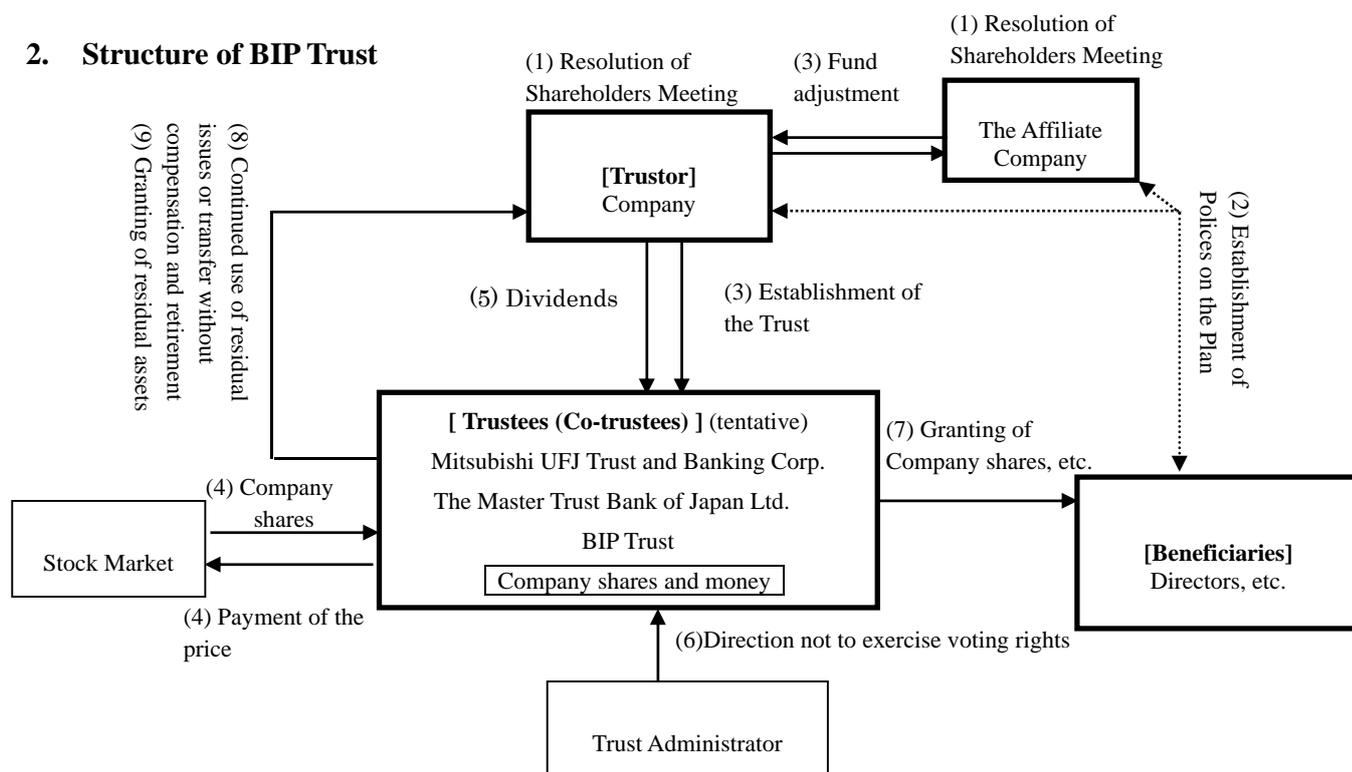
- (1) The Nidec Group endeavor to strengthen the management and management setup to aspire sustainable corporate value expansion with the motto; “High Growth, High Revenue, High Stock Price”. For the medium, long-term growth strategy, the Nidec Group launched and announced medium-term management plan called “Mid-Term Strategic Goal”.

The Company and the Affiliate Company will adopt this Plan as an incentive for the Directors, etc. covered by the Plan using a trust that is linked to corporate performance results and based on shares of Company stock. Its purpose is to clarify the linkage between compensation for the Directors, etc. covered by the Plan and the Company’s corporate value to heighten their motivation to attain performance targets specified in the “Mid-Term Strategic Goal” medium-term management plan and medium, long-term corporate value expansion. Moreover, the Plan is intended to further motivate the Directors, etc. covered by the Plan to contribute to sustainably enhancing corporate value (stock value) through their ownership of the Company’s share.

At the same time, the Company also adopted a corresponding incentive plan to the Company's executives in Japan and outside of Japan. For further detail, please refer to Timely Disclosures "Notice Regarding Adoption of New Performance Share Plan for Executives in the Country and Overseas".

- (2) The adoption of the Plan is subject to an approval of the Shareholders Meeting and the Affiliate Company Shareholders Meeting, concerning the adoption of the Plan.
- (3) For the Plan we adopt will be using a compensation structure called a "Board Incentive Plan" Trust (the "BIP" Trust). A BIP Trust is designed as an executive incentive plan based on the performance share plans and restricted stock plans in Europe and the United States. It is designed to grant or pay (the "granted, etc.") the Company's shares acquired by the BIP Trust and cash in the amount of the converted value of such shares (the "Company's shares, etc.") to Directors, etc. covered by the Plan according to the executives position and their degree of achievement of performance targets.
- (4) The compensation of the Directors, etc. covered by the Plan will consist of "Base Salary" and "Stock-related Compensation", by the adoption of the Plan.

2. Structure of BIP Trust



- (1) With respect to the adoption of the Plan, the Company and the Affiliate Company will obtain an approval of compensation for Directors, etc. at their respective Shareholders Meetings.
- (2) The Company and the Affiliate Company will establish the Policies on the Plan at the meeting of the Board of Directors with respect to the adoption of the Plan.
- (3) The Company will entrust money within the upper limit approved by the resolution of the Shareholders Meeting as in (1), above, and establish a BIP Trust (the “Trust”) wherein the Company’s Directors, etc. who meets the beneficiary requirements are beneficiaries. The amount equivalent to the trust money which will be the fund of share-based incentive for Affiliate Company’s Directors, etc. will be absorbed by the Affiliate Company concerned.
- (4) The Trust will acquire the Company’s shares from stock market using the funds entrusted in (3) above, in accordance with the instruction of the trust administrator. The number of shares to be acquired by the Trust shall be within the upper limit as approved by the resolution at the Shareholders Meeting specified in (1). The Company’s shares within the trust will be managed according to the amount of money to be funded for each Company’s Directors, etc. covered by the Plan.
- (5) Dividends of the shares of the Company under the Trust will be paid in the same manner as those on other shares of the Company.
- (6) Voting rights will not be exercised during the Trust term with regard to the Company’s shares under the Trust.
- (7) During the trust period, a certain number of units will be awarded to Directors, etc. covered by the Plan according to executive position and the degree of achievement of performance targets. In principle, the Directors, etc. who meets the beneficiary requirement are beneficiaries, as described in below 3 (6), will be awarded the Company’s shares, etc. that corresponds to the

number of unit when they retired. (As stated in 3(6) below, beneficiaries, in principle, will be awarded the Company's shares equivalent to 50% of the Company's shares corresponding to their accumulated units (odd-shares will be rounded off). Meanwhile, the Company's shares in a number equivalent to the remaining units will be converted into cash in the Trust in accordance with the Trust Agreement and beneficiaries will be awarded monetary equivalent.)

- (8) If there are residual shares at the expiry of the trust period, the Company will either continue the Trust for use in the Plan or for other similar share-based incentive plans by making amendments to the Trust Agreement and additional contributions to the Trust by a resolution of the Board of Directors, etc. Or, the residual shares will be transferred from the Trust to the Company without compensation and the Company will then retire the said residual shares by a resolution of the Board of Directors.
- (9) Residual properties after distribution to beneficiaries at the end of the Trust will belong to the Company to the extent of allowances for trust expenses, which are calculated by deducting the funds to acquire Company shares from the trust money. The portion exceeding the allowances for trust expenses will be donated to groups that have no conflict of interest with the Company and the Affiliate Company.

Note: If the number of the Company's shares under the Trust run out during the trust period due to the granting of the Company's shares, etc. to the Directors, etc. covered by the Plan, who meet the beneficiary requirements, the Trust will be terminated prior to the expiry of the trust period. Besides, the Company and the Affiliate Company may entrust additional money to the Trust to the extent of the upper limit of trust money approved by the resolution of a Shareholders Meeting and the upper limit of the number of the Company's shares to be delivered(as stated in 3.(7) below) for use in acquisition shares of the Company.

3. Content of the Plan

(1) Overview of the Plan

The Plan is a share-based incentive plan covering a series of fiscal years subject to the medium-term management plan(the "Covered period"), by which the Company shares, etc. are granted as a compensation for Directors, etc. covered by the Plan depending on the executive position and the degree of achievement of targets in the medium-term management plan, etc. (The initial covered period shall be three fiscal years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, which is "Mid-Term Strategic Goal" remaining period.) The Directors compensation under the Plan consists of: the "short-term performance-linked portion", in which Company shares, etc. are granted, etc. depending on the level of achievement of performance targets in the single-fiscal year, and "medium-term performance-linked portion", in which Company shares, etc. are granted, etc. depending on the level of achievement of performance targets in the medium-term management plans. The ratio of the short-term performance-linked portion to the medium-term performance-linked portion shall be 60% to 40%.

In case where the Trust is continued in accordance with (4)(b) below, the fiscal year corresponding to subsequent respective medium-term management plans shall be the

respective covered periods.

(2) Resolution of the Shareholders Meeting with respect to adopt the Plan

The Company and the Affiliate Company will resolve the upper limit of trust money to be contributed to the Trust, and the maximum total number of the Company shares, etc. to be granted, etc. to the Directors, etc. covered by the Plan during the covered period, as well as other necessary matters will be resolved at respective Shareholders Meeting of the Company and the Affiliate Company.

(3) Eligibility for the Plan (Requirements for beneficiaries)

The Directors, etc. covered by the Plan will be granted the Company's shares, etc. by the Trust in amounts corresponding to their accumulated units (as stated in (5) below); provided, they comply with the beneficiary requirements as follows and go through the certain beneficiary procedures to fix:

- (a) The beneficiary assumed the position of a Director, etc. covered by the Plan during the covered period.
- (b) The beneficiary has retired from the Company or the Affiliate Company(*1)(*2)
- (c) The beneficiary has not resigned voluntarily, been dismissed, or engaged in certain illegal conduct while in office.
- (d) Any other requirements deemed necessary to fulfill the purpose of the Plan as a share-based incentive plan.
 - (*1) If the trust period is extended as described in (4) (c) below, and at the timing when the extended trust period ends, the Directors, etc. covered by the Plan who may possibly meet beneficiary requirements are still in office, the Trust will terminate and said Directors, etc. will be granted the Company's shares, etc. while in office.
 - (*2) If the Directors, etc. got transferred to overseas, etc., the said Directors may granted, etc. the Company's shares, etc. while in office.

(4) Trust Period

(a) Initial Trust Period

The trust period specified for the Plan will be approximately three years, from July 26, 2018(tentative) to August 31, 2021(tentative).

(b) Extension of the Trust

Upon expiry of the trust period, the Company may continue the Trust or the Trust as a share-based incentive plan similar to this Plan by making amendments to the Trust Agreement and making additional contributions to the Trust. In such a case, the trust period will be extended further with respect to the number of years corresponding to the subsequent medium-term management plan, established at that time. The Company and the Affiliate Company will make additional contributions to the Trust within the upper limit of trust money for which approved by the resolution of the respective Shareholders Meeting, and will continue awarding units to the Directors, etc. covered by the Plan during the trust period. In such case where such additional contributions are to be made when there are any Company's shares(excluding Company's shares

equivalent to units granted to the Directors covered by the Plan that are yet to be granted) and money remaining in the trust property (the “residual shares, etc.”) at the last day of the trust period prior to the extension. However, the sum of the amount of residual shares, etc. and additional trust money to be contributed shall be within the upper limit of trust money for which approval by the resolution of each respective Shareholders Meeting has been obtained. Such an extension of the trust period will not be limited to one time only, and the trust period may subsequently be re-extended in the same manner.

- (c) Termination of the Trust (extension of the trust period not accompanied by additional contributions)

If the Directors, etc. covered by the Plan who may meet the beneficiary requirements remain in office at the expiry of the trust period, the Company will not award units to the said Directors, etc. However, the trust period may be extended until said Directors, etc. retire and the grant, etc. of the Company’s shares, etc. is completed.

(5) The Company’s Shares, etc. to be granted, etc. to the Directors, etc. covered by the Plan

The Company’s shares will be granted, etc. according to the number of units awarded to each Directors, etc. covered by the Plan. The units are calculated by the following formulas. One unit shall be equivalent to one share of the Company. If, however, the number of the Company’s shares under the Trust increases or decreases because the Company’s share is subject to a share split, allotment of shares without contribution, or share consolidation, or etc., the Company will adjust the number of the Company’s shares, etc. to be granted, etc. for each unit according to the percentage of increase or decrease of the Company’s shares, and total upper limit shares as stated in (7)(b) below .

(Unit calculation formula)

- (a) Short-term performance-linked portion

The units calculated by dividing the individual compensation amount, which has been determined in advance with respect to each executive position by the share price at the time when the Trust acquired the Company’s shares, will serve as the base (the “base units”). Based on the base units, single fiscal-year units will be calculated by the following formula, and awarded to the Directors, etc. covered by the Plan who hold office on the last day of each fiscal year of the covered period. And then multiply the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the single year management plan.

Calculation formula for Single fiscal year units : Base unit X 60%

Calculation formula for Short-term performance-linked units : Single fiscal year unit X Performance-linked coefficient concerning single year management plan (*3) (*4)

- (b) Medium-term performance-linked portion

Based on the base unit, single fiscal year units will be calculated by the following formula, and awarded to Directors, etc. covered by the Plan who hold office on the last day of each fiscal year

of the covered period. After the end of the covered period, the number of medium-term performance-linked unit is calculated by adding up single fiscal-year units awarded to Directors, etc. covered by the Plan, and then multiplying the cumulative total by the performance-linked coefficient that is determined by the degree of achievement of performance targets specified in the medium-term management plan.

Calculation formula for single fiscal year units : Base unit X 40%

Calculation formula for Medium-term performance-linked units : The cumulative total amount of fiscal year unit during the covered period X Performance-linked coefficient concerning medium-term management plan (*3) (*4)

(*3)The performance-linked coefficient varies between 0% to 200% depending on the degree of achieving target of consolidated sales amount and consolidated operating profit, etc. of single year management plan and medium-term management plan.

(*4)The granting units to eligibility who will be ineligible for the Plan by leaving office, etc. during the covered period, will make adjustment based on the incumbency, etc.

(6) Method and Timing for granting, etc. the Company's Shares, etc. to Directors, etc. covered by the Plan

The Directors, etc. covered by the Plan who meet beneficiary requirements will receive the Company's shares corresponding to 50% of the cumulative number of their short-term performance-linked units and medium-term performance-linked units (odd-shares will be rounded off) at their retirements calculated based on (5) above, and receive money equivalent to the Company's shares corresponding to the number of remaining performance-linked units that are converted into cash under the Trust. However, the Directors, etc. covered by the Plan who does not own a securities brokerage account handles Japanese stocks, he or she shall receive money equivalent to the Company's shares corresponding to the cumulative numbers of units that are converted into cash under the Trust.

The incumbent Directors, etc. covered by the Plan who have died, the legal heir(s) of the said Directors, etc. shall receive money equivalent to the cumulative number of units corresponding to the Company's shares that are converted into cash under the Trust.

If the Directors, etc. covered by the Plan got transferred to overseas, he or she shall receive money equivalent to the Company's shares corresponding to the cumulative numbers of units that are converted into cash under the Trust while in office.

If the trust period is extended as described in (4)(c) below, and at the timing when the extended trust period ends, the Directors, etc. covered by the Plan who may possibly meet beneficiary requirements are still in office, the Trust will terminate and said Directors, etc. will be granted the Company's shares, etc. while in office.

(7) Upper Limit of Trust Money to be contributed to the Trust to the Company's Directors, etc. and the Maximum Number of the Company's shares, etc. to be granted, etc. from the Trust to the Company's Directors, etc.

The share-based incentive to the Company's Directors, etc. during the covered period, the upper limits of the amount of trust money to be contributed to the Trust and the number of the Company's shares, etc. to be granted, etc. from the Trust shall be as follows, provided they are approved by a resolution of the respective Shareholders Meetings of the Company.

- (a) The upper limit of the amount of trust money to be contributed to the Trust as a share-based incentive for the Company's Directors, etc. during the initially covered period: 1.11 billion yen (*5)

However, if the trust extended as described in (4)(b), the upper limit for the amount of trust money to be contributed to the Trust as a share-based incentive for the Company's Directors, etc. will be 0.37 billion yen multiplied by the number of years of the new trust period.

(*5) The sum of the amount of funds for the Trust to acquire the Company's shares as well as the amount of trust fees and trust expenses.

- (b) The upper limit of the number of the Company's shares, etc. to be granted as a share-based incentive for the Company's Directors, etc. to the Trust during the initially covered period : 66,900 shares(*6)

However, if the trust extended as described in (4)(b), the upper limit for the number of the Company's shares, etc. to be granted as a share-based incentive for the Company's Directors, etc. from the trust will be 22,300 shares multiplied by the number of years of the new trust period.

(*6) The upper limit of the number of the Company's shares, etc. to be granted, etc. is determined by taking into account the upper limit of the trust money discussed above and in reference to the Company's share price, etc. at that point in time.

In addition to the above, the Company will entrust money within the upper limit approved by the resolution of the each Company's Shareholders Meeting, in order to acquire the Company's shares to be granted, etc. to the Affiliate Company's Directors, etc. The Company's shares in the Trust will take control according to each Affiliate Company's amount of the trust money.

(8) Method for the Trust to acquire the Company's share

The Trust shall plan to acquire the Company's shares from the stock market to the extent of the upper limit of the trust money and the upper limit number of Company's shares, etc. to be granted, etc. as stated in (7) above.

(9) Exercising Voting Rights Related to the Company's Shares under the Trust

To ensure the neutrality for the Company's management, voting rights shall not be exercised for the Company's shares held in the Trust during the trust period.

(10) Treatment of Dividends of the Company's Shares under the Trust

Dividends related to the Company's shares under the Trust will be paid to the Trust, and allocated to trust fees and trust expenses. If, after the allocation to trust fees and expenses, residual assets remain at the expiry of the Trust, such assets will be donated to organizations with no interest in the Company and the Affiliate Company. If the Company continues to use the Trust, such residual assets will be applied to the acquisition of shares.

(11) Treatment of Residual Shares at the Expiry of the Trust Period

If residual shares remain in the Trust at the expiry of the trust period due to underachievement of performance targets or other factors, the Trust may be continued to be used for the Plan or a similar share-based incentive plan. But in the case in which the Trust is to be terminated at the expiry of the trust period, the said residual shares will be transferred from the Trust to the Company without compensation, and the Company will retire said shares by a resolution of the Board of Directors of the Company as a way to return value to shareholders.

(Reference)

[Trust Agreement]

- | | |
|----------------------------------|--|
| (1) Type of Trust | Monetary trust other than an individually operated designated money trust (third-party benefit trust) |
| (2) Purpose of Trust | Provide Directors, etc. covered by the Plan with incentives |
| (3) Trustor | The Company |
| (4) Trustee | Mitsubishi UFJ Trust and Banking Corporation (tentative)
(Co-trustee: The Master Trust Bank of Japan, Ltd.) |
| (5) Beneficiaries | Directors, etc. covered by the Plan who meet the beneficiary requirements |
| (6) Trust administrator | A third person who has no conflict of interest with the Company and the Affiliate Company(Certified public accountant) |
| (7) Date of trust agreement | July 26, 2018 (tentative) |
| (8) Trust term | July 26, 2018 (tentative) to August 31, 2021(tentative) |
| (9) Start of the Plan | July 26, 2018 (tentative) |
| (10) Exercise of voting rights | No voting rights will be exercised |
| (11) Type of acquired shares | Common Company shares |
| (12) Amount of trust money | 1.05 billion yen (tentative) (including trust fee and trust expenses) |
| (13) Period of share acquisition | July 27, 2018 (tentative) to August 27, 2018(tentative) |
| (14) Manner of share acquisition | To be acquired from the stock exchange market |
| (15) Granted rights holder | The Company |
| (16) Residual properties | Residual properties that the Company, which is the holder of granted rights, can receive are within the extent of allowances for trust expenses etc., which are calculated by deducting funds to acquire Company shares from the Trust money |

(Note) The tentative dates given above are subject to change to appropriate dates according to the applicable laws and regulations.

[Affairs related to Trust and Shares]

- | | |
|--|---|
| (1) Affairs related to trust | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. will be the Trustee of the Trust and will engage in affairs related to the Trust. |
| (2) Affairs related to granting shares | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will engage in affairs related to granting Company shares to Beneficiaries based on the agreement of entrustment of affairs. |