

TSE Urgent Notice



Oct. 27, 2025
Listing Department
Tokyo Stock Exchange, Inc.

Designation of Security on Special Alert

TSE has designated the stock as a Security on Special Alert as follows.

* This decision is based on the results of the examination by Japan Exchange Regulation.

1. Issue Name NIDEC CORPORATION stock
(Code: 6594, Market Segment: Prime Market)
2. Date of Designation of Security on Special Alert Oct. 28, 2025 (Tue.)

Reason (Related Clause) Due to falling under a case where opinions are not expressed in audit reports, interim audit reports, or interim review reports attached to the listed company's financial statements or interim financial statements and TSE deems that the improvement of the internal management system of said listed company is highly necessary (Securities Listing Regulations, Rule 503, Paragraph 1, Item (2), b.)
3. Details of Reason NIDEC CORPORATION (hereinafter referred to as "the Company") announced on Jun. 27, 2025 that it would extend the submission deadline for the annual securities report for the fiscal year ended Mar. 2025 to Sep. 26 of the same year. This extension was made to allow time for an investigation into issues related to international trade at its Italian subsidiary. Later, on Sep. 3, the Company further disclosed that it had decided to establish a third-party committee to investigate newly discovered concerns about inappropriate accounting practices at its Chinese subsidiary involving a lump-sum payment representing a discount for a purchase from a supplier, as well as concerns that, with the involvement or awareness of their respective management teams, the Company and its Group companies may have arbitrarily decided the timing for writing down the value of certain assets.
Subsequently, on Sep. 26, the Company issued an "Important Notice Regarding Annual Securities Reports, etc." stating that the investigation by the third-party committee was still ongoing, and that it had submitted the annual securities report without the results of the investigation being reflected in the consolidated financial statements or other included information. The notice also stated that there had been a material weakness in internal control over these matters. The annual securities report submitted by the Company included an audit report containing a disclaimer of opinion.

These disclosures, submissions, and other information revealed the following facts:

- Despite extending the submission deadline for the annual securities report by approximately three months, the Company submitted the report with an audit report that included a "disclaimer of opinion." This suggests that the Company has still not been able to disclose accurate financial results, and there remains a possibility that past fiscal year accounts may need to be corrected.
- Since the initial issue was discovered, the scope of the investigation has continued to expand. Even though a considerable amount of time has passed, the completion date of the third-party committee's investigation remains uncertain. As a result, the Company has not been able to provide investors with a clear outlook on when its financial reporting schedule will return to normal.
- Although the third-party committee's investigation is still ongoing, deficiencies have already been identified in the Company's company-wide internal control systems (particularly in areas related to information and communication), as well as in the internal controls related to its accounting and financial closing processes. In light of these findings and considering the likelihood that they could have a significant impact on the Company's financial reporting, the Company has determined that these deficiencies constitute material weaknesses that should be disclosed.

As described above, the audit report attached to the financial statements in the annual securities report, which forms the basis for appropriate investment decisions, contains a disclaimer of opinion, and TSE deems that improvements to the Company's internal management system, etc. are highly necessary. As such, TSE designates the stock as a Security on Special Alert.

Furthermore, the investigation by the Company's third-party committee is still ongoing, and its results may reveal new facts or lead to corrections of past fiscal years' financial statements. In view of this, Japan Exchange Regulation (JPX-R) will continue its examination of the Company regarding its disclosure of corporate information and enforcement measures. Should any new issues come to light, TSE may consider taking additional measures as necessary.

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