



**FOR IMMEDIATE RELEASE**

**Nidec Corporation**

Tokyo Stock Exchange code: 6594

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### **Nidec to Acquire Whirlpool Corporation's Compressor Business**

Nidec Corporation (TSE: 6594; OTC US: NJDCY) (the "Company" or "Nidec") announced today that its Board of Directors has approved a resolution to acquire the compressor business ("Embraco") of Whirlpool Corporation ("Whirlpool") (the "Transaction"). For this purpose, Nidec entered into a stock purchase agreement on April 24, 2018 (Japan time).

#### **1. Purpose and background of the Transaction**

Nidec has been actively developing a new growth platform with a particular focus on its appliance, industrial and commercial business. As part of this strategy, the Company has pursued strategic acquisitions in the area of the appliance industry. For this purpose, Nidec created a new division named Nidec Global Appliance Division, which consists of Nidec Sole Motor Corporation S.R.L. (formerly, the household motor business of Appliances Components Companies S.p.A. acquired in January 2010), the appliance business of Nidec Motor Corporation (formerly, the motor and control business of Emerson Electric Co. acquired in September 2010), Nidec Motor Corporation Romania (formerly, ANA IMEP S.A. acquired in May 2016) and Nidec Global Appliance Compressors (formerly, Secop Group acquired in July 2017).

Prior to the acquisition of Secop, Nidec's Global Appliance Division mainly focused on manufacturing and sales of wet appliances such as motors for washing machines, dryers and dishwashers. Through the acquisition of Secop, the Company added compressors to its product portfolio, which allows the Company to expand further into the refrigeration sector. The Company expects the huge refrigerator compressor sector,

accounting for 170 million units per year, will provide attractive growth opportunities.

Embraco is well known as the global best in class in the refrigeration compressor sector, on account of its excellent technologies. Through the Transaction, Nidec’s Global Appliance Division is able to strengthen its refrigeration compressor business and expand its product reach and geographic footprint. In addition, ever stricter environmental regulations in major regions like Europe, the Americas and China are stimulating customer demand for eco-conscious and space-saving refrigeration compressors. Embraco’s advanced compressors meet such customer requirements. Nidec also believes its best in class brushless DC motor technology will complement Embraco’s compressors. Furthermore, because motors and compressors have similarities in terms of the nature of components used, Nidec’s Global Appliance Division expects to reduce procurement costs (to the benefit of customers) by taking advantage of synergies of the Nidec group’s purchase capabilities.

Whirlpool and Nidec has established mutual trust through our long standing relationship and are willing to continue to keep this relationship.

## 2. About the Business to be acquired

### (1) Overview of the Transaction

Nidec agreed to acquire from Whirlpool the shares of multiple subsidiaries comprising the Embraco business (excluding Embraco Europe S.r.l). Two Embraco entities located in China (Beijing Embraco Snowflake Compressor Company Limited and Qingdao Eecon Electronic Controls and Appliances Co. Ltd) would be acquired through a newly-created holding company, the details of which have not yet been determined.

### (2) Overview of the Business

Embraco consists of multiple subsidiaries. As Nidec is not able to disclose financial information for each of the companies, provided below is an overview of the entire Embraco business.

(1) Trade name	Embraco (Compressor business of Whirlpool Corporation)
(2) Major acquirees and locations	Embraco Indústria de Compressores e Soluções em Refrigeração Ltda. (Location: Brazil) Ealing Compañia de Gestiones y Participaciones S.A. (Location: Uruguay) Embraco Slovakia s.r.o. (Location: Slovakia) Embraco Luxembourg Sàrl (Location: Luxembourg) New Holding Company (Name not determined) (Location: Hong Kong)

(3)	Business description	Development, manufacture and sale of refrigeration compressors and electronic components		
(4)	Employees	10,464 (September 2017)		
(5)	Relationship with Nidec	Capital	None	
		Personnel	None	
		Business	Non material transaction	
		Related party relationship	None	
(6)	Three-year financial summary (US\$ in millions) (Unaudited)			
	Fiscal year end	December 2015	December 2016	December 2017
	Consolidated net assets	538	524	605
	Consolidated total assets	1,082	1,113	1,308
	Consolidated sales	1,302	1,257	1,307
	Consolidated Adjusted operating profit <sup>(1)</sup>	106	101	96
	Adjusted operating profit margin <sup>(1)</sup> (%)	8.1%	8.1%	7.4%

Notes: (1) Excludes one-time expenses such as litigation cost

(3) Purchase price and considerations

The purchase price is US\$1,080 million (on a cash-free and debt-free enterprise value basis) and the consideration will be all cash.

3. Overview of Whirlpool Corporation (December 31, 2017)

(1)	Company Name	Whirlpool Corporation
(2)	Headquarters	2000 N M 63 Benton Harbor, MI, 49022-2692, USA
(3)	Representative	Marc Robert Bitzer (Director, President and Chief Executive Officer)
(4)	Business Description	Development, manufacture and sale of home appliances
(5)	Year Established	1955
(6)	Sales	US\$21,253 million
(7)	Total Equity	US\$4,198 million
(8)	Total Assets	US\$20,038 million
(9)	Major shareholders and ownership	The Vanguard Group (10.2%) PRIMECAP Management (5.1%)

(10) Relationship with Nidec	Capital	None
	Personnel	None
	Business	Customer for Nidec products including motors and compressors
	Related party relationship	None

#### 4. Schedule

(1) Board of Directors resolution	April 24, 2018 (Japan time)
(2) Contract signed	April 24 2018 (Japan time)
(3) Closing	Expected within 1st half of FY2019 (The Transaction will be filed for approval with a number of antitrust authorities. Also, the closing may be deferred in some regions.)

#### 5. Future Outlook

Nidec intends to make appropriate disclosures regarding the impact of the Transaction described herein on its consolidated financial performance for the current fiscal year and announce any changes to its financial performance in accordance with the applicable rules of the Tokyo Stock Exchange once such details are determined.

### **Cautionary Statement Concerning Forward-Looking Information**

This press release contains forward-looking statements regarding the intent, belief, strategy, plans or expectations of the Nidec Group or other parties. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors, including, but not limited to, the risks to successfully integrating the acquired business with the Nidec Group, the anticipated benefits of the planned transaction not being realized, changes in general economic conditions, shifts in technology or user preferences for particular technologies, whether and when required regulatory approvals are obtained, other risks relating to the successful consummation of the planned transaction, and changes in business and regulatory environments. The Nidec Group does not undertake any obligation to update the forward-looking statements contained herein or the reasons why actual results could differ from those projected in the forward-looking statements except as may be required by law.

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