

Retirement Plan

Nidec Retirement Plan (NRP)

SUMMARY PLAN DESCRIPTION

**As it pertains to Employees
of Kato Engineering, Inc.
Members of International
Brotherhood of Electrical
Workers Local 1999
Appendix 4**

Effective September 29, 2019

About this Booklet

This booklet is a summary of the Nidec Retirement Plan (the Plan) as it pertains to employees of Kato Engineering, Inc. who are members of International Brotherhood of Electrical Workers Local 1999 for Plan provisions in effect as of September 29, 2019. The information in this booklet was taken from a legal document called the Plan document. The Plan document governs all aspects of Plan operation. To make the Plan easier to understand, we have taken the information as it applies to employees of Kato Engineering, Inc. (the Company) who are members of International Brotherhood of Electrical Workers Local 1999 and certain terminated vested employees and put it into simpler language. This booklet is the result of that process and is called a summary plan description (SPD). Information that applies to other employees or terminated vested employees covered by the Plan is summarized in separate SPDs. We have been careful to summarize information accurately. However, if any discrepancy should occur between this SPD and the Plan document, the Plan document will govern.

On the following pages, you will find a general explanation of Plan provisions. If you have any questions, you may contact your Human Resources Department.

As you read through this summary, you'll notice that it's organized into three sections:

Section 1—The history of retirement planning and the objectives that guided us in designing the present Plan.

Section 2—An overview of the provisions and features of the Plan.

Section 3—Additional important Plan information you'll need to know.

You may request a copy of the Plan document from your Human Resources Department. A small fee will be charged for the photocopy.

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SECTION 1 - Designing Your Future

Looking Back

Not so long ago, many American workers had to rely almost exclusively on personal savings to meet their retirement needs. Although Social Security Retirement Benefits have increased significantly over the years, due to the increasing number of people covered, Social Security Retirement Benefits may not be enough to provide for your retirement years. Personal planning was and still is the main source of providing for retirement.

Your Nidec Retirement Plan has been designed to supplement your Social Security retirement benefits and personal savings.

The Nidec Retirement Plan was designed with the following objectives in mind:

- To provide eligible employees with retirement income.
- To provide flexibility in retirement dates.

The following two sections of this booklet describe the applicable provisions of the Nidec Retirement Plan in detail. Please read them carefully; understanding your benefits will help you to maximize their impact and prepare for your future.

SECTION 2 - An Overview of the Plan

Plan Highlights

- Nidec Motor Corporation, the Company and other participating employers pay the entire cost of retirement benefits under the Plan. You are not required to make any contributions.
- The Plan was previously named the Pension Plan for Kato Engineering Employee Members of International Brotherhood of Electrical Workers Local 1999.
- Monthly pension benefits are available as an annuity payable for your life or, if you are married, a joint and survivor annuity payable for the lives of you and your spouse.
- You can receive a full retirement benefit if you are age 65.
- You can receive an early retirement benefit provided you are age 55 and have at least 10 years of Vesting Service.
- The Plan includes preretirement death benefits for your spouse – provided you meet certain qualifications.
- When you have a total of five years of Vesting Service, you have a nonforfeitable right to Plan benefits – even if you leave employment with the Company.

Participation and Cost

When may I participate?

If you were hired prior to September 29, 2019, you are eligible for participation in the Plan if you are an Employee. You are automatically enrolled in the Plan on the first day of the month on or after the date on which you complete one year of Vesting Service. If you do not complete one year of Vesting Service during your initial 12 months of employment, you will be enrolled in the Plan on the first day of the month on or after last day of any subsequent Employment Year in which you complete one year of Vesting Service. If you are not an Employee

Employee

For the purposes of the Plan described in this SPD, you are an Employee if you are employed by Kato Engineering, Inc. in the bargaining unit represented by International Brotherhood of Electrical Workers, AFL - CIO Local 1999.

Vesting Service

You will earn one year of Vesting Service for each 12 consecutive month period beginning on the date you are hired or an anniversary of that date during which you complete 1,000 Hours of

on the day you would otherwise be enrolled in the Plan, you will not become a participant until you become an Employee.

Special notes

Effective September 29, 2019, the Plan is closed to new entrants. If you are hired after September 28, 2019, you are not eligible to participate in the Plan.

If you lose seniority, you will not be eligible to participate or accrue any benefits in the Plan unless (i) your loss of seniority resulted from a layoff, and (ii) if you are reemployed after the expiration of recall rights, you satisfy the following requirements:

- you either (a) had a vested benefit when you terminated employment, or (b) did not have five or more consecutive One-Year Breaks in Service; and
- you complete one year of Vesting Service after you are reemployed.

If you transfer to a division or subsidiary of Nidec Motor Corporation whose employees are not covered by this Plan, your benefits under this Plan are protected. Your service continues for vesting and other benefit eligibility purposes, but not for determining the amount of your benefit.

Who pays for the Plan?

Nidec Motor Corporation, the Company and other participating employers pay all costs of the Plan. You do not make any contributions to the Plan. Money is set aside in a Plan Trust Fund to assure payment of your benefit when you retire. This money can only be used for purposes as specified in the Plan.

The Company makes required contributions to the Fund as determined by an independent actuary in accordance with sound actuarial principles.

Benefit Service

What is Benefit Service?

Your years of Benefit Service are used to determine your pension amounts. Benefit Service is counted in years and fractions of years.

If you were a participant on April 8, 1998, your Benefit Service up to that date will be determined under the terms of the Reliance Electrical Industrial Company Pension Plan for Kato Engineering Employee Members of International Brotherhood of Electrical Workers Local 1999 (Reliance Plan) in effect through that date.

On and after April 8, 1998, you earn one year of Benefit Service for each calendar year during which you complete 1,600 Hours of Service as an Employee. If during a calendar year you complete at least 1,000 Hours of Service but less than 1,600 Hours of Service as an Employee, a fractional part of a year is included as Benefit Service, determined by dividing your Hours of Service as an Employee by 1,600 Hours of Service. For example, if you earn 1,200 Hours of Service as an Employee during a calendar year, you will be credited with 0.75 year of Benefit Service ($1,200 \text{ Hours of Service} / 1,600 \text{ Hours of Service} = 0.75$).

Service.

Employment Year

A 12 month period beginning on the date you are hired and each anniversary of that date.

Hours of Service

Each hour for which you are either directly or indirectly paid by the Company (vacation pay is an example of indirect pay). You earn one Hour of Service for each hour of overtime, even if you are paid more than usual.

One-Year Break Service

Any Employment Year in which you earn fewer than 501 Hours of Service. If you are absent due to a Maternity or Paternity Absence, you may be credited with up to 501 Hours of Service for any single continuous period during which you perform no duties because of your Maternity or Paternity Absence. You will receive credit for the number of Hours of Service that would have been part of your customary workday but for your Maternity or Paternity Absence. If your customary Hours of Service cannot be determined, it will be assumed you customarily worked eight hours per day.

Maternity or Paternity Absence

Means any absence from work by reason of your pregnancy, birth of your child, placement of a child in connection with your adoption of the child, and caring for the child during the period immediately following the birth or placement. To constitute a Maternity or Paternity Absence you must provide the Company with information demonstrating that the absence falls within the permitted reasons above. At the conclusion of your absence you must provide the Company with a record of the number of days you were absent.

During your final year of work, if you complete fewer than 1,000 Hours of Service as an Employee, a fractional part of a year is included as Benefit Service if your Hours of Service as an Employee at least equal the number of completed calendar months you worked divided by 12 and multiplied by 1,000. For example, if you worked from January through September in your final year, you would receive credit for a fractional part of the year if you completed at least 750 Hours of Service as an Employee (9 months / 12 months X 1,000 = 750). Your fractional year of Benefit Service would be determined by dividing your Hours of Service by 1,600 Hours of Service.

- Assuming you had 800 Hours of Service as an Employee during your final year of work, you would be credited with 0.50 years of Benefit Service.
- Assuming you had 700 Hours of Service as an Employee during your final year of work, you would not receive credit for a fractional portion of a year.

For purposes of calculating the amount of your benefit, service counted under other plans will not count as Benefit Service for this Plan.

May I continue to earn service while absent from work?

During certain periods of absence, you will receive credit for your customary Hours of Service per day, except Saturday and Sunday, if you fulfill certain obligations.

- *Layoff* – You may receive this credit for a maximum of 12 months absence solely attributable to layoff if you are recalled by the Company to active employment.
- *Approved Leaves of Absence* – You may receive this credit for a leave of absence approved by the Company, up to a maximum of 6 months for a personal leave or 12 months for a sickness or disability leave.
- *Military Service* – To build up Vesting Service and Benefit Service while in the military service of the U.S.A., you must qualify for reemployment rights under federal law.

Vesting – Your Right to Plan Benefits

When you have completed five years of Vesting Service, you are vested in the retirement benefit credited to you under the Plan. You may also be entitled to a death benefit. “Vested” means you have a nonforfeitable right to a benefit beginning at your Early or Normal Retirement Date. Also, when you attain age 65 you are vested regardless of your years of Vesting Service if you are an employee at that time.

If you have a One-Year Break in Service, whether on account of your termination of employment or otherwise, and are not entitled to a vested benefit, your prior Vesting Service and Benefit Service may be forfeited. However, you will not lose your prior Vesting Service and Benefit Service if you earn enough Hours of Service in a subsequent Employment Year. To avoid losing your Vesting Service and Benefit Service, you must earn at least 1,000 Hours of Service in an Employment Year before you have five or more consecutive One-Year Breaks in Service.

Death Benefits

When am I eligible for a death benefit?

If you should die before retirement and are vested, your spouse may be entitled to a preretirement death benefit. No preretirement death benefit is payable if you are not married or not vested. Your spouse qualifies for a death benefit if you were married throughout the one-year period before your death.

What is the amount of the death benefit?

The benefit amount payable to your surviving spouse is equal to the benefit your spouse would have received under the 50% Automatic Survivor payment form.

When does the benefit begin?

If you die on or after your Normal Retirement Date, payments will begin on the first day of the month after your death. If you die before your Normal Retirement Date, your spouse may elect to begin payments anytime between what would have been your Early Retirement Date and your Normal Retirement Date if you completed at least 10 years of Vesting Service; otherwise, payments will begin on what would have been your Normal Retirement Date. If payments begin before your Normal Retirement Date, they will be reduced in the same manner as Early Retirement Benefits.

Retirement Dates

When may I retire?

The Plan provides flexibility for retirement dates, allowing for a Normal Retirement Date, Early Retirement Date, and Postponed Retirement Date.

Normal Retirement Date:

You may retire with a normal retirement pension on the first day of any month on or after your Normal Retirement Date. Your Normal Retirement Date is the first of the month after your 65th birthday. Should your 65th birthday occur on the first day of the month, then that will be your Normal Retirement Date.

Early Retirement Date:

If you meet certain conditions, you may retire before your Normal Retirement Date with an early retirement pension. You are eligible for an early retirement pension on or after your 55th birthday if you have at least 10 years of Vesting Service. Your benefit will generally be reduced for each month your Early Retirement Date precedes your 65th birthday. However, if you retire on or after your 62nd birthday and you have at least 10 years of Vesting Service, you are eligible for an unreduced retirement pension.

Postponed Retirement Date:

You may continue your employment past age 65 and earn a larger benefit.

How Benefits are Calculated

Benefits under the Plan are based upon your years of Benefit Service with the Company and the Retirement Benefit Rate in effect on the date

you retire.

Normal Retirement Benefit

Your Normal Retirement Benefit is the amount you will receive if you retire at age 65 and receive your benefit according to the Life Annuity payment form.

The annual Normal Retirement Benefit is equal to Part 1 reduced by Part 2 below.

Part 1

The Retirement Benefit Rate in effect
on the date of your retirement from the Company

X
Your Years of Benefit Service

=
Benefit Under part 1

MINUS

Part 2

Part 1 is reduced for any amount owed to you under the Reliance Plan. This adjustment will not change the total amount of retirement benefit you will receive but will result in your payment of retirement benefits originating from two separate plans. If you are not eligible to receive your benefits under the Reliance Plan when you start receiving benefits under this Plan, the entire benefit determined under Part 1 will be paid without reduction until you are eligible to receive your benefits under the Reliance Plan. When you are eligible to receive your benefits under the Reliance Plan, the reduction described in this Part 2 will be applied.

Normal Retirement Benefit Example

Here is an example of how a Normal Retirement Benefit would be calculated according to the Life Annuity payment form using the following assumptions:

Date of Birth:	01-01-1955
Date of Hire:	01-01-1983
Normal Retirement Date (age 65):	01-01-2020
Total Benefit Service	37 years

Part 1

\$35.75 per year of service X 37 years = \$1,322.75

Part 2

For purposes of this example, assume you are owed a monthly retirement benefit of \$850.00 at age 65 under the Reliance Plan. This adjustment will not change the total amount of retirement benefit you will receive but will result in your payment of retirement benefits originating from two separate plans.

Your Normal Retirement Benefit would be:

Part 1	\$1,322.75
Part 2	- <u>850.00</u>
Monthly Retirement Benefit	\$ <u>472.75</u>

Retirement Benefit Rate

Retirement Date (on or after)	Monthly Retirement Benefit Rate
April 8, 1998	\$18.00 per year of service
October 1, 1998	\$21.00 per year of service
October 1, 1999	\$24.00 per year of service
October 1, 2000	\$27.00 per year of service
October 1, 2001	\$27.50 per year of service
October 1, 2002	\$28.00 per year of service
October 1, 2003	\$28.50 per year of service
October 1, 2004	\$29.00 per year of service
October 1, 2005	\$29.50 per year of service
October 1, 2006	\$30.00 per year of service
October 1, 2007	\$30.50 per year of service
October 1, 2008	\$31.00 per year of service
October 1, 2009	\$31.50 per year of service
October 1, 2010	\$32.00 per year of service
October 1, 2011	\$32.50 per year of service
October 1, 2012	\$33.00 per year of service
October 1, 2013	\$33.50 per year of service
October 1, 2014	\$34.00 per year of service
October 1, 2015	\$34.50 per year of service
October 1, 2016	\$35.00 per year of service
October 1, 2017	\$35.50 per year of service
October 1, 2019	\$35.75 per year of service

Early Retirement Benefit

Your Early Retirement Benefit will be calculated in the same way as your Normal Retirement Benefit, using your years of Benefit Service and the Retirement Benefit Rate in effect as of the date you retire from the Company. Then your benefit will be reduced because it will be paid over a longer period of time.

Your monthly pension benefit will not be reduced if you have attained age 62 and completed 10 or more years of Vesting Service when you retire.

Here is an example of how an Early Retirement Benefit would be calculated according to the Life Annuity payment form using the following assumptions:

Date of Birth:	01-01-1959
Date of Hire	01-01-1987
Normal Retirement Date (age 65):	01-01-2024
Early Retirement Date (age 61):	01-01-2020
Total Benefit Service:	33 years

Part 1

\$35.75 per year of service X 33 years = \$1,179.75

Part 2

For purposes of this example, assume you are owed a monthly retirement benefit of \$750.00 at age 65 under the Reliance Plan, and you are eligible to receive your benefits under the Reliance Plan at age 61. This adjustment will not change the total amount of retirement benefit you will receive but will result in your payment of retirement benefits originating from two separate plans.

Your Normal Retirement Benefit would be:

Part 1	\$1,179.75
Part 2	<u>750.00</u>
Monthly Retirement Benefit	<u>\$ 429.75</u>

Because you are retiring early, your benefit will be reduced since it will be paid for a longer period of time. In this example, because you are retiring at age 61, you will receive 73.36% of your Normal Retirement Benefit, or \$315.26.

Postponed Retirement Benefit

You will continue to earn Vesting Service and Benefit Service if you work past age 65. Your benefit will be calculated in the same way as your Normal Retirement Benefit, using your Benefit Service and the Retirement Benefit Rate in effect as of your Postponed Retirement Date.

In no event will you receive less than what your benefit was as of your Normal Retirement Date.

Adjustment Chart for Early Retirement

Age When Payments Begin	Percent of Benefit You Will Receive
55	49.12%
56	52.36%
57	55.72%
58	59.56%
59	63.64%
60	68.20%
61	73.36%
62	78.88%
63	85.24%
64	92.20%

These adjustment factors will be pro-rated for partial years.

Maximum benefit allowed by law

Under IRS rules, there are limits on the amount of benefit that can be paid from the Plan. These maximums are high and probably will not affect your benefit. Generally, the annual limit if you retire at age 65 in 2019 is \$225,000. The limit may be adjusted each year for cost-of-living changes.

Payment Forms

So far, you have seen how pension benefits are calculated and how much your benefits could be under certain circumstances. But the way in which benefits are paid can be as important to you as the amount you receive.

The standard payment form in effect for you depends on whether you are married at the time payments start.

- If you are married when payments start, your standard payment form is the 50% Automatic Survivor form. (For more information regarding payments, see the details given below.) You will automatically receive payment in this form unless you reject it in writing within 180 days before payments start and select the Life Annuity (with your spouse's consent) or 75% Joint Annuity.
- If you are single, your standard payment form is the Life Annuity. You will automatically receive payment in this form.

Here are more details on the payment forms:

50% Automatic Survivor

(standard if you are married)

This form pays you an income for life and provides continuing protection for your surviving spouse after your death. When you elect this form, you will receive an adjusted benefit (when compared to the Life Annuity payment form) because payments are expected to be made for two lifetimes instead of one. The amount of the adjustment is based on your age and your spouse's age when you retire. After your death, 50% of your adjusted benefit will be paid each month for the lifetime of your spouse. The amount of your monthly benefit will not change if your spouse dies before you do. If your spouse to whom you are married at the time of your retirement dies before you do and you remarry, your new spouse is not eligible to receive the survivor benefit.

If you want to choose a different form, you must first reject this payment form in writing before it becomes effective and, if you choose the Life Annuity, your spouse must consent to your choice. If your spouse's consent is required, your spouse must sign the election form in the presence of a notary public.

Life Annuity

(standard if you are single/optional if you are married)

This form pays you a monthly benefit during your lifetime. After your death, no further benefits are payable. This is the payment form upon which the benefit formula is based. Any other payment form will result in an adjusted benefit.

75% Joint Annuity

(optional if you are married)

Under this form, you may choose to have 75% of your retirement benefit paid to your spouse after your death. Your spouse is entitled to receive this benefit for his or her lifetime.

If you choose this form, your full retirement benefit will be reduced for your age and your spouse's age when you retire. The reduction is to reflect the fact that payments are expected to be made for two lifetimes instead of one.

Small benefits

If you terminate employment and the present value of your benefit is \$1,000 or less, you will receive your benefit in the form of a lump sum. If the present value of your benefit exceeds \$1,000, but does not exceed \$5,000, the lump sum amount will be rolled over to an individual retirement account designated by the Plan Administrator if you do not make an election to receive it directly or have it rolled over.

When do benefits begin?

Ordinarily, benefits begin the first day of the month after you retire. The Plan must begin payment within 60 days after the close of the Plan Year in which the last of these occurs:

- Your 65th birthday
- Your 10th anniversary of Plan participation
- Your termination of employment

Payment Form Summary Chart

	Life Annuity	50% Automatic Survivor	75% Joint Annuity
Do you receive a monthly income for your life?	Yes	Yes	Yes
Are your payments reduced at Normal Retirement?	No	Yes	Yes
What benefits are payable if you die after retirement?	None	50% of your reduced benefit as long as your spouse lives	75% of your reduced benefit as long as your spouse lives
When must you elect this form?	Automatic, if you are single on your retirement date. Otherwise, may be elected any time during the 180 day period before your retirement date	Automatic, if you are married on your retirement date	If you are married on your retirement date, any time during the 180 day period before your retirement date
When does this form become effective?	On your retirement date	On your retirement date	On your retirement date

SECTION 3 - Other Important Information

Situations Affecting Your Benefits

Can my benefits be forfeited, lost or delayed?

The Plan is designed to provide you with a continuing income when your active employment ends. But some situations could affect Plan benefits. Those situations are summarized here.

- Generally, if you leave the Company permanently for any reason before you are vested in the Plan, no benefits are payable. If you resume employment with the Company, your prior Vesting and Benefit Service may be forfeited depending on the number of One-Year Breaks in Service.
- If you die and your surviving spouse dies before the beginning of a death benefit, no benefits will be payable.
- If you do not notify the Company of your intention to retire or leave, payments will begin only after your application for benefits is received and approved.
- If you do not keep your most recent address on file and the Company can't locate you, benefit payments may be delayed.
- If you retire and return to work full-time, your pension payments will stop. When you retire a second time, your pension will be recalculated to include any Benefit Service earned during your period of reemployment, and will be based on the Retirement Benefit Rate in effect as of the date you retire from the Company. However, your pension will be reduced for any payment previously made to you under the Plan. In no event will you receive less than you were receiving before your reemployment.
- The benefits of certain participants may be limited to maximum amounts specified by law.

- If the Plan is terminated or partially terminated, participants affected by the termination may have benefits earned to date reduced as a result of the Plan's funding status and limitations imposed by the Pension Benefit Guaranty Corporation (see the section called *If the Plan Changes or Terminates*).

Can my benefit be assigned to someone else?

Your retirement benefits belong to you and may not be sold, assigned, transferred, pledged or garnished under most circumstances.

If you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else—your spouse or children, for example. This is known as a “qualified domestic relations order.” As soon as you're aware of any court proceedings that may affect your pension benefit, contact the Human Resources Department. You may receive a copy of the Plan's procedures for reviewing and making qualified domestic relations order determinations from the Plan Administrator at no charge.

If you (or your spouse) are unable to care for your own affairs, any payments due may be paid to someone who is authorized to conduct your affairs. This may be a relative or a court-appointed guardian.

If the Plan Changes or Terminates

Can the Plan be amended or terminated?

Although Nidec Motor Corporation intends to continue this Plan, it reserves the right to amend, modify, freeze, change or terminate this Plan at any time. If any material changes are made in the future, you will be informed about them. If the Plan is terminated, benefits will be paid as described in the following sections.

What happens to my benefit if the Plan is terminated?

If the Plan is terminated, or if there is a partial termination affecting you, you will immediately be 100% vested in the benefits you have earned as of the termination date. Benefits will be paid, according to law, as described below. Fund assets would be used to provide benefits to retirees, beneficiaries and active participants up to the total amount of assets in the fund. Any money remaining in the fund may be returned to the Company after all required benefits have been paid or provided.

Once approval to terminate the Plan has been received from the Pension Benefit Guaranty Corporation (PBGC), Plan benefits would be paid in the order prescribed by law. If for any reason the funds are insufficient to pay full benefits to all participants, payment would be made in this order:

1. Mandatory contributions to those entitled to such payments.
2. Benefits to (a) retirees and beneficiaries who began receiving benefits within three years before Plan termination, and (b) participants who could have retired and begun receiving benefits within that time and beneficiaries of those participants.
3. All other benefits guaranteed by the PBGC.
4. All other vested benefits, other than those that are vested only because the Plan is terminating.

5. All other accrued benefits.

If full benefits can't be paid under any of the above categories, payments will be made on a pro rata basis as described by law.

In any case, benefits for certain highly compensated participants are limited when the Plan terminates. If you are affected by this provision, you will be contacted and given the details of these limitations.

What if the Plan is combined with another plan?

If the Plan is merged or consolidated, or if Plan assets are transferred to another plan, your current accrued benefit will be protected to the extent funded. Your benefit under the new plan, if the Plan were to terminate immediately after the change, would at least equal the amount you would be entitled to receive if the current pension Plan had been terminated just before the change.

What is the Pension Benefit Guaranty Corporation (PBGC)?

Your benefits under this Plan are insured by the PBGC, a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay benefits. Most people receive all of the benefits they would have received under their plan, but some people may lose certain benefits. The PBGC guarantee generally covers: (1) Normal and Early Retirement Benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Applying for Benefits

How do I apply for benefits?

When you near retirement age, you should contact the Human Resources Department for information on how to apply for benefits. Please contact the Human Resources Department at least three months in advance of your retirement date. If you die before retirement, the Human Resources Department will help your spouse apply for any benefits due.

The Company will provide you with a notice that explains your retirement benefits, rights and options. You will also receive benefit forms that you must complete and return to the Company in order to start your retirement benefits. You should complete the benefit forms and make sure the Company receives them before your retirement date.

If you do not return properly completed forms, or if they are not received by the Company on a timely basis, your retirement benefits may be delayed.

Payment of your first retirement check might be one or two months later due to administrative delay. You will, in most cases, receive retroactive payments. However, no retroactive payments would be permitted if you provide less than 30 days' notice of your retirement date. (See Note under Contact Date.)

What can I do if my claim for benefits is denied?

If you feel you have been denied benefits which are owed to you under the Plan, you or your duly authorized representative may file a written claim for such benefits with the Benefits Department. The request must be addressed to:

Benefits Department
Nidec Motor Corporation
8050 West Florissant
St. Louis, MO 63136

Upon receipt of your claim, the Benefits Department will inform you that a decision will be delivered within a reasonable period of time, but ordinarily not later than 90 days, and shall, in fact, deliver a decision within that period. This period may be extended for reasonable cause up to an additional 90 days, in which case you will be notified in writing during the initial 90-day period of the special circumstances requiring an extension and the date by which the Benefits Department expects to deliver the decision. The Benefits Department will review the claim and make a decision. If your claim is denied in whole or in part, you will receive a written opinion telling you:

- the specific reason or reasons for the denial;
- the specific references to pertinent Plan provisions on which the denial is based;
- a description of any additional material or information necessary for you to perfect the claim and an explanation as to why such material or such information is necessary;
- appropriate information as to the steps to be taken if you wish to submit the claim for review, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review; and
- the time limits for requesting a review of the denial and for actual

Contact Date

Please contact the Human Resources Department at least three months in advance of your retirement date.

Retirement Date	Suggested Contact Date
Jan 1	Oct 1
Feb 1	Nov 1
Mar 1	Dec 1
April 1	Jan 1
May 1	Feb 1
June 1	Mar 1
July 1	April 1
Aug 1	May 1
Sep 1	June 1
Oct 1	July 1
Nov 1	Aug 1
Dec 1	Sep 1

IF YOU DO NOT PROVIDE AT LEAST 30 DAYS' NOTICE OF YOUR RETIREMENT DATE:

- **YOUR RETIREMENT PAYMENTS WILL BE DELAYED AT LEAST ONE MONTH.**
- **NO RETROACTIVE PAYMENT CAN BE MADE.**

review of the denial.

Within 60 days after you receive the written opinion described above, you may request in writing that the Nidec Retirement Plan Claim Review Board review the prior decision. The request must be addressed to:

Nidec Retirement Plan Claim Review Board
8050 West Florissant
St. Louis, MO 63136

Unless you request a review within 60 days after receiving the Benefits Department's decision, you will lose the right to challenge the decision.

You or your duly authorized representative may submit written comments, documents, records or other information relating to the denied claim, and that information shall be considered in the review without regard to whether that information was submitted or considered in the initial claims decision.

You or your duly authorized representative shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information which (i) were relied upon by the Benefits Department in making its initial claims decision, (ii) were submitted, considered or generated in the course of the Benefits Department making its initial claims decision, without regard to whether those documents, records or other information were actually relied upon by the Benefits Department in making its decision, or (iii) demonstrate compliance by the Benefits Department with its administrative processes and safeguards designed to ensure and to verify that benefit claims decisions are made in accordance with governing Plan documents and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated claimants.

Within a reasonable period of time, ordinarily not later than 60 days, after receipt of a request for review, the Claim Review Board will review and decide the case and issue a detailed written opinion. Under special circumstances, this period may be extended for up to an additional 60 days, in which case you will be notified during the initial 60-day period of the special circumstances requiring an extension and the date by which the Claim Review Board expects to render its decision on review, which shall be as soon as possible but not later than 120 days after receipt of the request for review.

The Claim Review Board has discretionary authority to determine your eligibility for benefits and to interpret the terms of the Plan. Benefits under the Plan will be paid only if the Claim Review Board decides in its discretion that you are entitled to such benefits. The decision of the Claim Review Board shall be final and non-reviewable, unless found to be arbitrary and capricious by a court of competent review. The decision will be binding upon the Company and you.

If the Claim Review Board makes an adverse benefit determination on review, the Claim Review Board will render a written opinion setting forth:

- the specific reason or reasons for the denial;
- the specific references to pertinent Plan provisions on which the denial is based;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records

and other information which (i) were relied upon by the Claim Review Board in making its decision, (ii) were submitted, considered or generated in the course of the Claim Review Board making its decision, without regard to whether those documents, records or other information were actually relied upon by the Claim Review Board in making its decision, or (iii) demonstrate compliance by the Claim Review Board with its administrative processes and safeguards designed to ensure and to verify that benefit claims decisions are made in accordance with governing Plan documents and that, where appropriate, the Plan provisions have been applied consistently with respect to similarly situated claimants;

- statement of your right to bring a civil action under Section 502(a) of ERISA following the adverse benefit determination on review.

Additional Plan Information

Is this all I need to know about the Plan?

The questions and answers in this booklet illustrate the major provisions of the Plan. The information is only intended to be a brief summary of the Plan provisions. The Plan document is the legal instrument that controls how the Plan operates. The Plan document covers all situations relating to retirement benefits. In the event of conflict between this booklet and the Plan document, the Plan document will control.

How are my rights concerning Plan benefits protected by law?

As a participant in the Nidec Retirement Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office, at the office of your employer and at other specified locations, such as union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The plan must provide the statement

free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about this Plan, you should contact the Plan Administrator. If you have any questions about this statement or your ERISA rights, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Other information required by federal regulations:

Name of Plan:

Nidec Retirement Plan (formerly the Pension Plan for Kato Engineering Employee Members of International Brotherhood of Electrical Workers Local 1999)

Name and address of the Plan sponsor:

Nidec Motor Corporation
8050 W. Florissant Ave.
St. Louis, Missouri 63136

A complete list of employers whose employees are covered under the Plan may be obtained by writing to the Plan Administrator.

Name and Address of Company:

Kato Engineering, Inc.
P.O. Box 8447
Mankato, Minnesota 56002-8447

IRS Employer Identification Number:

27-3330722

Plan number:

003

Type of pension plan:

The Plan is a “defined benefit pension plan,” which means that benefits are payable in accordance with a specific formula in the Plan.

Plan administration and funding:

The Plan is a trustee pension plan administered by the Plan Administrator. Retirement benefits are paid from the assets accumulated in the fund established under the Plan. Contributions are based on actuarial computations.

Plan Administrator:

Nidec Motor Corporation
8050 W. Florissant Ave.
St. Louis, Missouri 63136
(888) 637-7333

Agent for service of legal process:

General Counsel
Nidec Motor Corporation
8050 W. Florissant Ave.
St. Louis, Missouri 63136

Service of legal process may also be made upon the Plan Trustee or the Plan Administrator.

Trustee:

Principal Trust Company
1013 Centre Road
Wilmington, Delaware 19805

Recordkeeping year of the Plan:

The Plan Year is the twelve-month period beginning on October 1, and records are kept for the Plan and Plan participants by the Plan sponsor.