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8 *Counsel for Plaintiff*

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 _____, Individually and on behalf of all
12 others similarly situated,

13 Plaintiff,

14 v.

15 NIDEC CORPORATION, JUN SEKI,
16 HIDETOSHI YOKOTA, SHIGENOBU
17 NAGAMORI, AKINOBU SAMURA,
18 and MITSUYA KISHIDA,

19 Defendants.

No.

20 **CLASS ACTION COMPLAINT
21 FOR VIOLATIONS OF THE
22 FEDERAL SECURITIES LAWS**

23 CLASS ACTION

24 JURY TRIAL DEMANDED

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all other persons
2 similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint
3 against Defendants (defined below), alleges the following based upon personal
4 knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to
5 all other matters, based upon, among other things, the investigation conducted by
6 and through his attorneys, which included, among other things, a review of the
7 Defendants’ public documents, public filings, wire and press releases published by
8 and regarding Nidec Corporation (“Nidec” or the “Company”), and information
9 readily obtainable on the Internet. Plaintiff believes that substantial evidentiary
10 support will exist for the allegations set forth herein after a reasonable opportunity
11 for discovery. ¹

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16 **NATURE OF THE ACTION**

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18 1. This is a class action on behalf of persons or entities who purchased
19 or otherwise acquired publicly traded Nidec securities between June 23, 2021 and
20 October 28, 2025, inclusive (the “Class Period”). Plaintiff seeks to recover
21 compensable damages caused by Defendants’ violations of the federal securities
22 laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

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25 **JURISDICTION AND VENUE**

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28 ¹ Unless otherwise stated, all emphasis is added and internal citations are omitted.

1 8. The Company’s American Depositary Receipts trade over the counter
2 (OTC) under the ticker symbol “NJDCY”.

3 9. Defendant Jun Seki (“Seki”) was the Company’s Chief Executive
4 Officer (“CEO”) from the beginning of the Class Period until September 2022. He
5 then served in other executive capacities including chief operating officer.
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7 10. Defendant Hidetoshi Yokota (“Yokota”) was the Company’s Chief
8 Financial Officer (“CFO”) from the beginning of the Class Period until prior to the
9 2021 Annual Report’s issuance.
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11 11. Defendant Shigenobu Nagamori (“Nagamori”) founded Nidec in
12 1973 and served as its CEO prior to the Class Period. He then returned to the role
13 and became CEO again on April 21, 2022, which he served as until April 1, 2024.
14 He is now the Chairman of the Board of Directors.
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16 12. Defendant Akinobu Samura (“Samura”) became CFO prior to the
17 2021 Annual Report.
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19 13. Defendant Mitsuya Kishida (“Kishida”) became Nidec’s CEO
20 effective April 1, 2024.
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22 14. Defendants Seki, Yokota, Nagamori, Samura, and Kishida are
23 collectively referred to herein as the “Individual Defendants.”
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25 15. Each of the Individual Defendants:

26 (a) directly participated in the management of the Company;
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1 (b) was directly involved in the day-to-day operations of the Company at
2 the highest levels;

3 (c) was privy to confidential proprietary information concerning the
4 Company and its business and operations;

5 (d) was directly or indirectly involved in drafting, producing, reviewing
6 and/or disseminating the false and misleading statements and information
7 alleged herein;

8 (e) was directly or indirectly involved in the oversight or implementation
9 of the Company's internal controls;

10 (f) was aware of or recklessly disregarded the fact that the false and
11 misleading statements were being issued concerning the Company; and/or

12 (g) approved or ratified these statements in violation of the federal
13 securities laws.

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19 16. The Company is liable for the acts of the Individual Defendants and
20 its employees under the doctrine of *respondeat superior* and common law
21 principles of agency because all of the wrongful acts complained of herein were
22 carried out within the scope of their employment.

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24 17. The scienter of the Individual Defendants and other employees and
25 agents of the Company is similarly imputed to the Company under *respondeat*
26 *superior* and agency principles.

1 18. Defendant Nidec and the Individual Defendants are collectively
2 referred to herein as “Defendants.”

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4 **SUBSTANTIVE ALLEGATIONS**

5 **Materially False and Misleading Statements Issued During the Class Period**

6 19. On June 23, 2021, Nidec posted its annual report for the fiscal year
7 ended March 31, 2021 on its website (the “2020 Annual Report”). At the time of
8 the 2020 Annual Report’s release, Jun Seki served as Nidec’s CEO and President,
9 as well as on its board of directors. Hidetoshi Yokota served as Nidec’s Chief
10 Financial Officer (“CFO”) and Senior Vice President at the time the 2020 Annual
11 Report was released.
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14 20. The 2020 Annual Report contained a risk disclosure entitled “Risks
15 related to compliance with various laws and regulations.” It stated the following,
16 in part:
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18 We conduct our business subject to ongoing regulation and associated
19 regulatory compliance risks, including the effects of changes in laws,
20 regulations, policies, voluntary codes of practice, accounting standards and
21 interpretations and application errors in Japan and other countries in which
22 we conduct our business. As we expand the range of our products and the
23 geographical scope of our business, we will be exposed to risks that are
24 unique to particular industries, markets or jurisdictions. *Our compliance*
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1 *risk management systems and programs may not be fully effective in*
2 *preventing all violations of laws, regulations and rules.*

3 * * *

4
5 Our business activities are also subject to various other governmental
6 regulations, both local and international, including antitrust, anti-bribery,
7 anti-terrorism, intellectual property, *consumer protection, taxation, export*
8 *regulations, tariffs, foreign trade and exchange controls.*

9
10 Moreover, as we expand our operations into new products and
11 geographical markets, we may be required to further enhance our
12 compliance policies and procedures. Because we are listed on the Tokyo
13 Stock Exchange, we are required to comply with the appropriateness of
14 financial reporting under the application of the Financial Instruments and
15 Exchange Act of Japan and other laws and regulations. *We are continuing*
16 *to expand our business [and] as our business grows, and we need to*
17 *strengthen our compliance system regarding the appropriateness of*
18 *financial reporting. Our failure or inability to comply fully with applicable*
19 *laws, regulations, standards and rules could lead to fines, public*
20 *reprimands, damage to reputation, enforced suspension of operations or,*
21 *in extreme cases, withdrawal of authorization to operate, adversely*
22 *affecting our business.*

1 21. The statement in ¶ 20 was materially false and misleading at the time
2 it was made because Nidec either knew or should have known that its Italian
3 subsidiary, NIDEC FIR INTERNATIONAL S.R.L. (“FIR”), was violating tariff-
4 related laws in the United States by shipping motors to the United States that it
5 stated were made in Italy, when in reality, the country of origin should have been
6 China, given that the motors were made with Chinese parts. As such, FIR
7 wrongfully avoided paying additional tariffs when exporting these products.
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10 22. The 2020 Annual Report contained the following risk disclosure
11 entitled “Risks related to internal controls over financial reporting.” It stated, in
12 pertinent part, the following:
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14 As a public company, we are subject to the requirements regarding internal
15 control over financial reporting under the Financial Instruments and
16 Exchange Act of Japan, and *it is essential for us to have effective internal*
17 *controls, corporate compliance functions and accounting systems to*
18 *manage our assets and operations.*
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21 Designing and implementing an internal control system requires
22 significant management, human and other resources. *Once we identify any*
23 *significant deficiencies or material weaknesses in our internal control*
24 *systems, we may require additional resources and incur additional costs to*
25 *remediate such deficiencies or weaknesses.*
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1 We are continuously reviewing to strengthen the global internal
2 control system. *However, if management determines that our internal*
3 *control over financial reporting is not effective for any period or deviates*
4 *from internal control, we may be unable to timely file financial reports or*
5 *such internal control may interrupt stakeholders and management's*
6 *effective decision making, and as a result, our market perception could be*
7 *negatively affected.* Depending on the severity of, and causes and other
8 factors relating to, a material weakness in internal control over financial
9 reporting, we could be subject to liabilities or sanctions of applicable laws
10 and regulations. In addition, we could be restricted in our ability to access
11 financial markets for capital raising.

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16 *In fiscal 2020, NIDEC shifted to a company with an Audit and*
17 *Supervisory Committee in order to further strengthen internal controls*
18 *and expand sustainable corporate value.* In addition to strengthening the
19 supervisory function of the Board of Directors, we are working to further
20 enhance internal control by speeding up decision-making through increased
21 management efficiency and enhancing discussions at the Board of Directors.
22 Moreover, NIDEC has established The Remuneration Committee as a
23 voluntary advisory body to the Board of Directors, and ensures fairness,
24 transparency, and objectivity by obtaining appropriate involvement and
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1 advice from independent outside directors with regard to executive
2 compensation.

3 23. The statement in ¶ 22 was materially false and misleading at the time
4 it was made because Nidec had a material weakness in its internal controls as a
5 result of FIR shipping goods to the United States without paying the necessary
6 tariffs as a result of misclassifying the origin of said goods.
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9 24. On June 20, 2022, Nidec posted its Annual Report for the fiscal year
10 ended March 31, 2022 on its website (the “2021 Annual Report”). Defendants
11 Nagamori and Samura served as Nidec’s CEO and CFO, respectively, at the time
12 the 2021 Annual Report was published.
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15 25. The 2021 Annual Report contained a similar statement as the one
16 discussed in ¶ 20.

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18 26. As such, the statement in ¶ 25 was materially false and misleading at
19 the time it was made for the reasons stated in ¶ 21.

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21 27. The 2021 Annual Report had a similar statement as the one contained
22 in ¶ 22.

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24 28. As such, the statement in ¶ 27 was materially false and misleading at
25 the time it was made for the reasons stated in ¶ 23.

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27 29. On June 21, 2023, Nidec posted its Annual Report for the fiscal year
28 ended March 31, 2023 on its website (the “2022 Annual Report”). Defendants

1 Nagamori and Samura served as Nidec’s CEO and CFO, respectively, at the time
2 the 2022 Annual Report was published.

3 30. The 2022 Annual Report contained a similar statement as the one
4 discussed in ¶ 20.

5 31. As such, the statement in ¶ 30 was materially false and misleading at
6 the time it was made for the reasons stated in ¶ 21.

7 32. The 2022 Annual Report contained a similar statement as the one
8 discussed in ¶ 22.

9 33. As a result, the statement in ¶ 32 was materially false and misleading
10 at the time it was made for the reasons stated in ¶ 33.

11 34. On June 19, 2024, Nidec posted its Annual Report for the fiscal year
12 ended March 31, 2024 on its website (the “2023 Annual Report”).

13 35. The 2023 Annual Report contained the following risk disclosure
14 regarding the Company’s internal controls:

15 [Nidec] has determined that there is a material deficiency that should be
16 disclosed in terms of the internal controls of the settlement of accounts and
17 financial reporting process, as it has become clear that [Nidec’s]
18 consolidated subsidiaries *have misidentified a part of their consolidated*
19 *reconciliation, such as net sales, which involves transactions between the*
20 *Group’s consolidated subsidiaries in the consolidated closing procedure,*
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1 as subject to reconciliation, and that net sales has been overstated. Nidec is
2 fully aware of the significance of internal controls over financial reporting.
3 In order to correct material deficiencies that should be disclosed, NIDEC
4 secured the reliability of financial reporting by promptly formulating and
5 implementing the following measures to prevent recurrence in the Group,
6 such as examining the settlement of accounts from various perspectives and
7 strengthening the approval procedures by the person with the authority to
8 approve. ***However, if a material deficiency that should be disclosed occurs***
9 ***again in the future, the reliability of the Group's financial reporting may***
10 ***be affected.***
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15 36. The statement in ¶ 35 was materially false and misleading at the time
16 it was made because it understated issues at Nidec subsidiaries which had an effect
17 on Nidec's internal controls, including that Nidac had deficient internal controls
18 over financial reporting because a subsidiary in Italy misclassified the origin of
19 certain goods in order to avoid paying tariffs.
20

21 37. On November 13, 2024, Nidec posted its Semi-Annual Report for the
22 period from April 1, 2024 to September 30, 2024 (the "Semi-Annual Report"). The
23 Semi-Annual Report contained the following statement:
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25 There were no new risk factors recognized during the six months ended
26 September 30, 2024. There were no material changes in the risk factors
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1 stated in the annual securities report for the previous fiscal year pursuant to
2 the Financial Instruments and Exchange Act of Japan.

3 38. The statement in ¶ 37 was materially false and misleading at the time
4 it was made because in fact, there was a material change. Specifically, Nidec
5 Techno Motor (Zhejiang) Co., Ltd., the Company's Chinese subsidiary, engaged
6 in financial malfeasance in late September 2024, which Nidec knew of or should
7 have known of. Accordingly, Nidec's statement in November 2024 that there were
8 "no new risk factors" was materially false and misleading when it was made.
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10 39. The statements contained in ¶¶ 20, 22, 25, 27, 30, 32, 35, and 37 were
11 materially false and/or misleading because they misrepresented and failed to
12 disclose the following adverse facts pertaining to the Company's business,
13 operations and prospects, which were known to Defendants or recklessly
14 disregarded by them. Specifically, Defendants made false and/or misleading
15 statements and/or failed to disclose that: (1) multiple Nidec subsidiaries engaged
16 in financial malfeasance; (2) as a result, Nidec lacked adequate internal controls;
17 (3) Nidec understated internal control challenges and also regulatory and litigation
18 exposure if the foregoing were to be revealed; and (4) as a result, defendants'
19 statements about Nidec's business, operations, and prospects were materially false
20 and misleading and/or lacked a reasonable basis at all relevant times.
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27 **THE TRUTH BEGINS TO EMERGE**

1 40. On June 26, 2025, Nidec published an announcement entitled “Notice
2 concerning board of directors’ resolution of application for approval of deadline
3 extension for submission of securities report for 52nd fiscal year.” (the “June 26
4 Announcement”). The June 26 Announcement stated that Nidec was “proceeding
5 with further international investigations and considerations regarding trade
6 transactions and customs issues of NIDEC FIR INTERNATIONAL S.R.L.
7 (Located in Italy; hereinafter “FIR”), [a Nidec subsidiary].”
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10 41. The June 26 Announcement further stated that “[i]n relation to this
11 tariff issue, [Nidec] hereby announces that [it] has decided to submit an application
12 to the Kanto Local Finance Bureau for approval of a deadline extension regarding
13 the submission of the securities report[.]” This included Nidec’s annual report for
14 the fiscal year covering April 1, 2024 to March 31, 2025.
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16 42. The June 26 announcement stated, in part, the following:
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18 Between April 2018 and September 2023, FIR shipped oven motors
19 manufactured at its Italian factory using parts made in China to the United
20 States and imported them itself. In light of U.S. [customs laws], the country
21 of origin of the motors should have been China, not Italy. ***FIR treated the
22 country of origin of the motors as Italy, and therefore did not pay the
23 additional tariffs that should have been paid when oven motors, which
24 originated in China, were imported into the United States.***
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1 *In September 2023*, FIR stopped the production and shipment of oven
2 motors and implemented changes to the procurement sources and
3 manufacturing process of major parts (hereinafter “Process Changes”). At
4 roughly the same time, FIR’s parent company, Nidec Americas Holding
5 Corporation ([“NAHC”]), *commissioned an external expert to investigate*
6 *the cause and circumstances of the fact that the country of origin of oven*
7 *motors manufactured at FIR’s Italian factory was declared as Italy*
8 (hereinafter “Country of Origin Violation”). Since the investigation related
9 to the commission (hereinafter “External Prior Investigation”) took time to
10 obtain clearance under the European General Data Protection Regulation
11 and conduct forensic investigations, the report on the results of the
12 investigation (hereinafter “Preliminary Investigation Report”) was
13 submitted to NAHC on March 5, 2025, and NAHC submitted the
14 Preliminary Investigation Report to [Nidec] the following day.

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20 43. The June 26 Announcement further stated that Nidec had notified its
21 accounting auditor of the country of origin code violation on March 31, 2025, and
22 stated that on April 14, 2025, Nidec established an internal investigation
23 committee.

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25 44. On this news, Nidec ADRs fell \$0.204 per ADR, or 4.08%, to close
26 at \$4.7940 on June 27, 2025.

1 45. On September 3, 2025, Nidec posted on its website an announcement
2 entitled “Notice Regarding Establishment Committee.” (the “9/3
3 Announcement”). The 9/3 Announcement stated that Nidec had “decided at a
4 [board] meeting held today to establish a third-party committee[.]” It further stated
5 the following:
6

7 Aside from the Company’s current diligent investigations into the trade
8 transactions and customs issues, *its Audit and Supervisory Committee was*
9 *notified on July 22, 2025 by Nidec Techno Motor Corporation (“Techno”),*
10 *a [Nidec subsidiary], of suspected improper accounting in late September*
11 *2024 by Nidec Techno Motor (Zhejiang) Co., Ltd., the Company’s Chinese*
12 *subsidiary, in connection with a lump-sum payment (worth 10 million yuan,*
13 *or approximately 200 million yen) representing a discount for a purchase*
14 *from a supplier (the “Techno Issue”). In response to this, the Company*
15 *engaged outside attorneys, certified public accountants, and other external*
16 *experts to conduct internal investigations, including digital forensic*
17 *procedures, in order to clarify the Techno Issue under the supervision of*
18 *the Company’s Audit and Supervisory Committee. The investigations*
19 *found multiple documents suggesting that, in addition to Techno, the*
20 *Company and its group companies could have engaged in improper*
21 *accounting with the involvement or knowledge of its or their*
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1 *management—namely, for example, that those companies could be*
2 *construed to have arbitrarily considered when to write down certain assets*
3 *with risk in terms of their asset value.*

4
5 46. The 9/3 Announcement further stated the following:

6 Given the above, [Nidec] recognized limitations in the previous
7 investigation system engaging external experts and led by members of the
8 Audit and Supervisory Committee, *as well as the need for objective*
9 *investigations by a third-party committee independent of [Nidec].*
10 *Accordingly, [Nidec] decided today to establish a third-party committee in*
11 *compliance with the “Guidelines for Third-Party Committees in Cases of*
12 *Corporate Misconduct” established by the Japan Federation of Bar*
13 *Associations.*

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17 47. The 9/3 Announcement stated that the matters commissioned to the
18 third-party committee would be as follows:

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- 21 • Fact-finding investigations into suspected improper accounting
22 (including the Techno Issue) at the Company and its group
23 companies, such as arbitrarily adjusting the timing of write-downs of
24 certain assets with risk in terms of their asset value;
 - 25 • Calculation of the amount of impact if improper accounting is found;
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- Root cause investigations and recommendation of recurrence prevention measures if improper accounting is found; and
- Othe matters deemed necessary by the third-party committee.

48. The 9/3 Announcement further stated that Nidec “*sincerely apologizes for the serious concerns and inconvenience caused to its shareholders, investors, and all other related parties concerning this matter.*”

49. On this news, Nidec ADRs fell \$1.197 per ADR, or 22.7%, to close at \$4.06 on September 3, 2025.

50. On September 26, 2025, Nidec posted on its website an announcement entitled “Notice Regarding Material Weakness about Internal Control over Financial Reporting and Disclaimer of Evaluation Results in Internal Control Report” (the “Internal Controls Announcement”).

51. The Internal Controls Announcement stated that Nidec had “*identified a material weakness and that the Company’s internal control over financial reporting is not effective*, and that the Company has also stated therein that the Company determined that it could not express the results of the evaluation in internal controls over financial reporting for the fiscal year ended March 31, 2025.”

52. The Internal Controls Announcement provided the following details of the material weakness:

1 ***The Company group identified an issue concerning transactions at***
2 ***NIDEC FIR INTERNATIONAL S.R.I. (located in Italy; hereinafter***
3 ***“FIR”), one of the consolidated subsidiaries of the Company*** under
4 Appliance, Commercial and Industrial Motors Business Unit of Appliance
5 and Automotive Division. [Nidec] ***has engaged an external expert,***
6 ***experienced in international trade and customs law, to investigate.*** As a
7 result, it was recognized that, ***for certain motors manufactured by FIR,***
8 ***erroneous declarations of the country of origin were made for the United***
9 ***States, which resulted in the accrual of unpaid tariffs.*** Based on the results
10 of the investigation, [Nidec] proceeded with further internal investigation
11 and consideration of this matter, in collaboration with the external expert.
12 ***Therefore, the Company could not submit the securities report for the***
13 ***fiscal year ended March 31, 2025 by June 30, 2025, the original deadline,***
14 ***and after obtaining approval for an extension of the deadline, submitted***
15 ***the report on September 26, 2025.***

16 53. The Internal Controls Announcement further stated the following:

17 ***With respect to the issues of FIR, [Nidec] recognizes that the primary***
18 ***causes lie with the Company as the parent company for failing to reflect***
19 ***the issues in the consolidated financial statements in a timely manner*** after
20 recognizing them. ***Specifically, since [Nidec’s] officers and employees who***
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1 *received the information regarding the conduct that potentially violated*
2 *laws and regulations failed to report such information to the Company's*
3 *management through the designated reporting line, necessary internal*
4 *discussions and reviews regarding the information on the material risk*
5 *were not conducted, resulting in a loss of opportunity for early correction*
6
7 (company-wide internal controls: information and communication), and the
8 Company's internal control system designed to ensure comprehensive
9 collection of material risk information to reflect them in the consolidated
10 financial statements was not properly organized (internal controls over the
11 Company's accounting closing and reported processes.).

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15 54. In sum, the Internal Controls Announcement stated as follows:

16 *Based on the above, the Company has identified the weakness about its*
17 *internal controls, specifically, the inadequacies in its company-wide*
18 *internal control (information and communication) and its internal control*
19 *over accounting closing and reporting processes.* As these inadequacies are
20 considered to have a potentially significant impact on [Nidec's] financial
21 reporting, the Company has determined that they constitute a material
22 weakness.
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26 55. Also on September 26, 2025, the Company issued its annual report
27 for the Fiscal Year ending March 31, 2025 (FY 2024). Although Nidec was able to
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1 issue its annual report, it was separately revealed that Nidec’s auditor
2 (PricewaterhouseCoopers Japan LLC, “PWC”) was disclaiming any opinion as to
3 the report, given the misconduct at Nidec.
4

5 56. Specifically, on September 26, 2025 Nidec posted on its website an
6 announcement entitled “Notice Regarding Disclaimer of Opinion in the Audit
7 Report Concerning the Consolidated Financial Statements in the Securities Report
8 and Disclaimer of Opinion in the Internal Control Audit Report for the Fiscal Year
9 Ended March 31, 2025.” (the “Auditor Disclaimer Notice”).
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12 57. The Auditor Disclaimer Notice stated that PWC had “*not been able*
13 *to obtain sufficient and appropriate audit evidence to provide a basis for*
14 *expressing an audit opinion on the consolidated financial statements, so we*
15 *[PWC] do not express an audit opinion.*”
16

17 58. The Auditor Disclaimer Notice provided a basis for disclaimer of
18 opinion which stated, in part, the following:
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20 [Nidec] has *identified suspicions of inappropriate accounting treatment*
21 *with the involvement or knowledge of management of the Company and*
22 *its group companies, such as arbitrary adjustments to the timing of write-*
23 *downs of assets that carry evaluation risk*, which could have a significant
24 impact on the consolidated financial statements.
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1 In addition, [. . .] *the Company is conducting internal investigations into*
2 *issues related to trade transactions and tariffs.*

3 * * *

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5 *We were unable to obtain sufficient and appropriate audit evidence to form*
6 *an opinion on the consolidated financial statements.* We have also
7 determined that the potential impact of undetected misstatements, if any, on
8 the consolidated financial statements, could be material and pervasive and
9 is not limited to specific consolidated financial statement accounts or notes.
10 As a result, we were unable to determine whether any adjustments to the
11 consolidated financial statements were necessary.
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15 59. On this news, the price of Nidec ADRs fell \$0.103 per ADR, or 2.3%,
16 to close at \$4.3060 on September 29, 2025.

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18 60. On October 23, 2025, Nidec published an announcement on its
19 website entitled “Notice Regarding the Determination of No Interim Dividend,
20 Revision of Year-End Dividend Forecast, and Revision to the Forecast of
21 Consolidated Financial Performance.”

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23 61. This announcement stated that Nidec’s Board of Directors had
24 “resolved not to pay [a] surplus dividend (interim dividend) with September 30,
25 2025 as the record date at a meeting held on October 23, 2025.”
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1 62. Further, the announcement stated that Nidec had “revised the year-
2 end dividend forecast and forecast of consolidated financial performance for the
3 fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2025), which
4 were previously announced on April 24, 2025[.]

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6 63. The announcement further stated that Nidec “*sincerely apologizes for*
7 *the inconvenience and concern caused to its shareholders, investors and other*
8 *stakeholders.*”

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10 64. The announcement provided the following graphs, showing lower
11 revisions with regard to various profitability metrics:
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15 (3) Revision to the Forecast of Consolidated Financial Performance

16 Revision to the Forecast of Consolidated Financial Performance for the Second Quarter of the
Fiscal Year Ending March 31, 2026 (April 1, 2025 – September 30, 2025)

(Yen in millions)

	Net sales	Operating profit	Profit before Income taxes	Profit attributable to owners of the parent	Earnings per share attributable to owners of the parent-basic (Yen)
Previous Forecast (A)	1,280,000	120,000	125,000	92,000	80.26
Revised Forecast (B)	-	-	-	-	-
Increase/Decrease Amount (B-A)	-	-	-	-	-
Increase/Decrease Rate (%)	-	-	-	-	-
(Reference) Results for the Previous Interim Period (Interim for FY2024)	1,293,811	120,474	99,648	75,377	65.59

Revision to the Forecast of Consolidated Financial Performance for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Yen in millions)

	Net sales	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Earnings per share attributable to owners of the parent basic (Yen)
Previous Forecast (A)	2,600,000	260,000	270,000	200,000	174.47
Revised Forecast (B)	-	-	-	-	-
Increase/Decrease Amount (B-A)	-	-	-	-	-
Increase/Decrease Rate (%)	-	-	-	-	-
(Reference) Results for the Previous Interim Period (FY2024)	2,607,813	238,116	233,309	164,365	143.06

65. These revisions were due to the misconduct alleged in this complaint.

The announcement stated the following for the reasons for the revision:

As stated in the Annual Report submitted on September 26, 2025, investigations by the Third Party Committee *regarding suspected inappropriate accounting practices involving the Company and its group, as well as other internal investigations, are ongoing.*

As a result of these investigations, *should it be discovered that there exists any material misstatement that requires amendment in the Financial Statements of any previous fiscal year, the Company intends to take appropriate measures, including amendments of previous or current securities reports.*

In addition to this situation, considering the current status of the Third Party Committee's investigation, at the Board of Directors meeting held on

1 October 23, 2025, *the Company decided not to pay a surplus dividend*
2 *(interim dividend) with September 30, 2025 as the record date.*
3 *Furthermore, the year-end dividend forecast and the consolidated*
4 *financial forecasts remain undetermined.* Nidec will promptly announce
5 the year-end dividend forecast and consolidated financial forecasts once it
6 becomes possible to do so.
7

8
9 66. Also on October 23, 2025, Nidec posted an announcement on its
10 website entitled “Nidec Announces the Status of Share Repurchase and the
11 Discontinuation of the Share Repurchase.” The announcement stated that Nidec
12 had “decided to discontinue the share repurchase based on the Board of Directors
13 resolution held on May 27, 2025.”
14
15

16 67. The reason for this was the fallout due to the misconduct outlined in
17 this complaint. The announcement provided the following reason:
18

19 As stated in the Annual Report submitted on September 26, 2025,
20 investigations [. . .] regarding suspected accounting practiced[, as well as
21 other internal investigations, are ongoing.] *As a result of these*
22 *investigations, should it be discovered that there exists any material*
23 *misstatement that requires amendment in the financial statements of any*
24 *previous fiscal year, the Company intends to take appropriate measures,*
25 *including amendments of previous or current securities reports.* In
26
27
28

1 addition to this situation, considering the current status of the Third-Party
2 Committee’s investigation, at the Board of Directors meeting held on
3 October 23, 2025, the Company decided to discontinue the share repurchase
4 based on the Board of Directors resolution held on May 27, 2025.
5

6 ***The Company didn’t conduct share repurchase from May 28, 2025 (Start***
7 ***of the share repurchase period based on the board resolution on May 27,***
8 ***2025), through October 23, 2025 mainly due to:***
9

10 -The company refrained from repurchasing shares during the period it held
11 material non-public information
12

13 ***-The occurrence of events subject to the above investigations has been***
14 ***confirmed in the Company and the relevant investigations are ongoing.***
15

16 68. On this news, Nidec ADRs fell 3.6%, to close at \$4.0260 on October
17 24, 2025.
18

19 69. On October 27, 2025, after market close, Reuters published an article
20 entitled “Japan’s Nidec plunges after delisting warning, benchmark index
21 expulsion.” The article stated that Nidec shares had “***plunged in Tokyo trading on***
22 ***Tuesday after the exchange put the precision motor maker on alert for possible***
23 ***delisting*** and Nikkei said the company would be expelled from its benchmark index
24 following a deepening accounting scandal.”
25
26
27
28

1 *We sincerely apologize to our shareholders, investors, and other*
2 *related parties for any inconvenience and concern caused.*

3 73. On this news, Nidec ADRs fell \$0.177 per ADR, or 5.2%, to close at
4
5 \$3.2250 on October 29, 2025. The next day, they fell a further \$0.068 per ADR, or
6 2.1%, to close at \$3.1570 on October 30, 2025.

7
8 74. As a result of Defendants’ wrongful acts and omissions, and the
9 precipitous decline in the market value of the Company’s securities, Plaintiff and
10 other Class members have suffered significant losses and damages.

11 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

12 75. Plaintiff brings this action as a class action pursuant to Federal Rule
13 of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons
14 other than defendants who acquired the Company’s securities publicly traded OTC
15 during the Class Period, and who were damaged thereby (the “Class”). Excluded
16 from the Class are Defendants, the officers and directors of the Company, members
17 of the Individual Defendants’ immediate families and their legal representatives,
18 heirs, successors or assigns and any entity in which Defendants have or had a
19 controlling interest.

20 76. The members of the Class are so numerous that joinder of all members
21 is impracticable. Throughout the Class Period, the Company’s securities were
22 actively traded on OTC. While the exact number of Class members is unknown to
23

1 Plaintiff at this time and can be ascertained only through appropriate discovery,
2 Plaintiff believes that there are hundreds, if not thousands of members in the
3 proposed Class.
4

5 77. Plaintiff's claims are typical of the claims of the members of the Class
6 as all members of the Class are similarly affected by Defendants' wrongful conduct
7 in violation of federal law that is complained of herein.
8

9 78. Plaintiff will fairly and adequately protect the interests of the
10 members of the Class and has retained counsel competent and experienced in class
11 and securities litigation. Plaintiff has no interests antagonistic to or in conflict with
12 those of the Class.
13

14 79. Common questions of law and fact exist as to all members of the Class
15 and predominate over any questions solely affecting individual members of the
16 Class. Among the questions of law and fact common to the Class are:
17

- 18 • whether the Exchange Act was violated by Defendants' acts as alleged
19 herein;
20
- 21 • whether statements made by Defendants to the investing public during
22 the Class Period misrepresented material facts about the business and
23 financial condition of the Company;
24
- 25 • whether Defendants' public statements to the investing public during
26 the Class Period omitted material facts necessary to make the statements
27
28

1 made, in light of the circumstances under which they were made, not
2 misleading;

3 • whether the Defendants caused the Company to issue false and
4 misleading filings during the Class Period;

5 • whether Defendants acted knowingly or recklessly in issuing false
6 filings;

7 • whether the prices of the Company securities during the Class Period
8 were artificially inflated because of the Defendants' conduct complained of
9 herein; and

10 • whether the members of the Class have sustained damages and, if so,
11 what is the proper measure of damages.
12

13
14
15
16 80. A class action is superior to all other available methods for the fair
17 and efficient adjudication of this controversy since joinder of all members is
18 impracticable. Furthermore, as the damages suffered by individual Class members
19 may be relatively small, the expense and burden of individual litigation make it
20 impossible for members of the Class to individually redress the wrongs done to
21 them. There will be no difficulty in the management of this action as a class action.
22
23

24 81. Plaintiff will rely, in part, upon the presumption of reliance
25 established by the fraud-on-the-market doctrine in that:
26
27
28

- 1 • the Company's shares met the requirements for listing, and were listed
- 2 and actively traded on OTC, an efficient market;
- 3
- 4 • as a public issuer, the Company filed periodic public reports;
- 5
- 6 • the Company regularly communicated with public investors via
- 7 established market communication mechanisms, including through the
- 8 regular dissemination of press releases via major newswire services and
- 9 through other wide-ranging public disclosures, such as communications with
- 10 the financial press and other similar reporting services;
- 11
- 12 • the Company's securities were liquid and traded with moderate to
- 13 heavy volume during the Class Period; and
- 14
- 15 • the Company was followed by a number of securities analysts
- 16 employed by major brokerage firms who wrote reports that were widely
- 17 distributed and publicly available.
- 18

19 82. Based on the foregoing, the market for the Company's securities
20 promptly digested current information regarding the Company from all publicly
21 available sources and reflected such information in the prices of the shares, and
22 Plaintiff and the members of the Class are entitled to a presumption of reliance
23 upon the integrity of the market.
24
25

26 83. Alternatively, Plaintiff and the members of the Class are entitled to
27 the presumption of reliance established by the Supreme Court in *Affiliated Ute*
28

1 *Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants
2 omitted material information in their Class Period statements in violation of a duty
3 to disclose such information as detailed above.
4

5 **COUNT I**

6 **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**
7 **Against All Defendants**

8 84. Plaintiff repeats and realleges each and every allegation contained
9 above as if fully set forth herein.
10

11 85. This Count is asserted against Defendants is based upon Section 10(b)
12 of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder
13 by the SEC.
14

15 86. During the Class Period, Defendants, individually and in concert,
16 directly or indirectly, disseminated or approved the false statements specified
17 above, which they knew or deliberately disregarded were misleading in that they
18 contained misrepresentations and failed to disclose material facts necessary in
19 order to make the statements made, in light of the circumstances under which they
20 were made, not misleading.
21

22 87. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that
23 they:
24

- 25
- 26 • employed devices, schemes and artifices to defraud;
- 27
28

- 1 • made untrue statements of material facts or omitted to state material
2 facts necessary in order to make the statements made, in light of the
3 circumstances under which they were made, not misleading; or
4
- 5 • engaged in acts, practices and a course of business that operated as a
6 fraud or deceit upon plaintiff and others similarly situated in connection with
7 their purchases of the Company's securities during the Class Period.
8

9 88. Defendants acted with scienter in that they knew that the public
10 documents and statements issued or disseminated in the name of the Company
11 were materially false and misleading; knew that such statements or documents
12 would be issued or disseminated to the investing public; and knowingly and
13 substantially participated, or acquiesced in the issuance or dissemination of such
14 statements or documents as primary violations of the securities laws. These
15 defendants by virtue of their receipt of information reflecting the true facts of the
16 Company, their control over, and/or receipt and/or modification of the Company's
17 allegedly materially misleading statements, and/or their associations with the
18 Company which made them privy to confidential proprietary information
19 concerning the Company, participated in the fraudulent scheme alleged herein.
20
21
22
23

24 89. Individual Defendants, who are the senior officers of the Company,
25 had actual knowledge of the material omissions and/or the falsity of the material
26 statements set forth above, and intended to deceive Plaintiff and the other members
27
28

1 of the Class, or, in the alternative, acted with reckless disregard for the truth when
2 they failed to ascertain and disclose the true facts in the statements made by them
3 or any other of the Company's personnel to members of the investing public,
4 including Plaintiff and the Class.
5

6 90. As a result of the foregoing, the market price of the Company's
7 securities was artificially inflated during the Class Period. In ignorance of the
8 falsity of Defendants' statements, Plaintiff and the other members of the Class
9 relied on the statements described above and/or the integrity of the market price of
10 the Company's securities during the Class Period in purchasing the Company's
11 securities at prices that were artificially inflated as a result of Defendants' false and
12 misleading statements.
13
14
15

16 91. Had Plaintiff and the other members of the Class been aware that the
17 market price of the Company's securities had been artificially and falsely inflated
18 by Defendants' misleading statements and by the material adverse information
19 which Defendants did not disclose, they would not have purchased the Company's
20 securities at the artificially inflated prices that they did, or at all.
21
22

23 92. As a result of the wrongful conduct alleged herein, Plaintiff and other
24 members of the Class have suffered damages in an amount to be established at trial.
25

26 93. By reason of the foregoing, Defendants have violated Section 10(b)
27 of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the
28

1 plaintiff and the other members of the Class for substantial damages which they
2 suffered in connection with their purchase of the Company's securities during the
3 Class Period.
4

5 **COUNT II**

6 **Violations of Section 20(a) of the Exchange Act**

7 **Against the Individual Defendants**

8 94. Plaintiff repeats and realleges each and every allegation contained in
9 the foregoing paragraphs as if fully set forth herein.
10

11 95. During the Class Period, the Individual Defendants participated in the
12 operation and management of the Company, and conducted and participated,
13 directly and indirectly, in the conduct of the Company's business affairs. Because
14 of their senior positions, they knew the adverse non-public information about the
15 Company's business practices.
16

17 96. As officers of a publicly owned company, the Individual Defendants
18 had a duty to disseminate accurate and truthful information with respect to the
19 Company's financial condition and results of operations, and to correct promptly
20 any public statements issued by the Company which had become materially false
21 or misleading.
22

23 97. Because of their positions of control and authority as senior officers,
24 the Individual Defendants were able to, and did, control the contents of the various
25 reports, press releases and public filings which the Company disseminated in the
26
27
28

1 marketplace during the Class Period concerning the Company's results of
2 operations. Throughout the Class Period, the Individual Defendants exercised their
3 power and authority to cause the Company to engage in the wrongful acts
4 complained of herein. The Individual Defendants therefore, were "controlling
5 persons" of the Company within the meaning of Section 20(a) of the Exchange
6 Act. In this capacity, they participated in the unlawful conduct alleged which
7 artificially inflated the market price of the Company's securities.
8

9
10 98. By reason of the above conduct, the Individual Defendants are liable
11 pursuant to Section 20(a) of the Exchange Act for the violations committed by the
12 Company.
13

14
15 **PRAYER FOR RELIEF**

16 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for
17 judgment and relief as follows:

18 (a) declaring this action to be a proper class action, designating Plaintiff
19 as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of
20 the Federal Rules of Civil Procedure and designating Plaintiff's counsel as Lead
21 Counsel;
22

23
24 (b) awarding damages in favor of Plaintiff and the other Class members
25 against all Defendants, jointly and severally, together with interest thereon;
26
27
28

1 (c) awarding Plaintiff and the Class reasonable costs and expenses
2 incurred in this action, including counsel fees and expert fees; and

3 (d) awarding Plaintiff and other members of the Class such other and
4 further relief as the Court may deem just and proper.
5

6 **JURY TRIAL DEMANDED**

7 Plaintiff hereby demands a trial by jury.
8

9
10 Dated:

THE ROSEN LAW FIRM, P.A.

11
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