



**NIDEC CORPORATION**

Tokyo Stock Exchange code: 6594

## Notice of the **46th** Regular General Meeting of Shareholders



10:00 a.m. on Tuesday, June 18, 2019  
(Japan time)

Time & Date The reception will start at 09:30 a.m.



Venue

Shunju-no-Ma (Hall of Spring and Autumn), Second  
Floor, RIHGA Royal Hotel Kyoto  
1 Taimatsu-cho, Shiokoji-sagaru, Higashi horikawa-  
dori, Shimogyo-ku, Kyoto, 600-8237, Japan



Proposals

1. Election of eight candidates to the  
Board of Directors
2. Election of one candidate to the  
Audit & Supervisory Board

### Table of Contents

Notice of the 46th Regular General Meeting of Shareholders.....	1
Reference Document for the General Meeting of Shareholders ....	4
Business Report.....	12
Consolidated Financial Statements for the Fiscal Year 2018.....	37
Non-consolidated Financial Statements for the Fiscal Year 2018.....	40
Audit Reports.....	44

Deadline for exercising voting rights by mail or the Internet, etc.

5:30 p.m. on Monday, June 17, 2019 (Japan time)

※ See pages 2 and 3 for more detail.



Website for Nidec's IR info  
<https://www.nidec.com/en-Global>

## To Our Shareholders



Left: Representative Director and Chairman (CEO)

Right: Representative Director and President (COO)

*S. Nagamori*

*M. Ito*

Thank you for your continued support and for confidence that you have placed in us. Please be cordially invited to the 46th Regular General Meeting of Shareholders of Nidec Corporation.

Since its foundation in 1973, under the mission to manufacture “everything that spins and moves,” Nidec has been consistently seeking to create drive technologies that meet the society’s needs. Now, as the world’s leading manufacturer of comprehensive motor and motor drive systems with more than 300 group companies operating in various countries in the world, the Group posted consolidated net sales of 1,518.3 billion yen, a record high, and consolidated operating profit of 138.6 billion yen for the fiscal year ended March 31, 2019.

In June of last year, we began our transition to a collective executive leadership, separating the offices of chairman and president. This transition is showing signs of becoming firmly established. In order to achieve our mid-term growth initiative “Vision 2020,” which seeks to attain consolidated net sales of two trillion yen and consolidated operating profit of 300 billion yen in the fiscal year 2020, we will accelerate our business portfolio transformation and offensive management, working as a united Group to promote our profitable growth strategy.

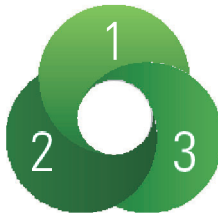
### Mission Statement

Nidec Corporation's mission is to contribute to the development of society and well-being of people by providing excellent products and services through a sincere and enthusiastic dedication to the fusion of science, technology and manufacturing expertise.

Supply universally desired, indispensable products for the common good.

### Basic Management Creeds

Provide employment opportunities based on healthy business growth.



Pursue the No. 1 position in all that we undertake.

### Corporate Mottos

Passion, Enthusiasm and Tenacity  
Intelligent Hard Working  
Do it now, Do it without fail, Do it until it's completed.

To: All Shareholders with Voting Rights

Tokyo Stock Exchange code: 6594  
May 31, 2019

## **NIDEC CORPORATION**

Hiroyuki Yoshimoto  
Representative Director and President  
Nidec Corporation  
338 Kuzetonoshiro-cho, Minami-ku,  
Kyoto, 601-8205, Japan

### Notice of the 46th Regular General Meeting of Shareholders

Notice is hereby given that the 46th Regular General Meeting of Shareholders (the “Meeting”) of Nidec Corporation (“Nidec” or the “Company,” together with its subsidiaries, the “Group”) will be held in accordance with the following details.

If you are unable to attend the Meeting, you can exercise your voting rights in writing, via the Internet, or by alternative means. Please refer to the Reference Document for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Monday, June 17, 2019, Japan time, following the instructions described hereinafter.

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Time & Date	10:00 a.m. on Tuesday, June 18, 2019 (Japan time) <b>(The reception will start at 9:30 a.m.)</b>
Venue	Shunju-no- Ma (Hall of Spring and Autumn), Second Floor, RIHGA Royal Hotel Kyoto 1 Taimatsu-cho, Shiokoji-sagaru, Higashi horikawa-dori, Shimogyo-ku, Kyoto, 600-8237, Japan
Agenda	<b>Reports</b> 1. Business report, consolidated financial statements, and audit reports regarding the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the fiscal year 2018 ended March 31, 2019 2. Non-consolidated financial statements for the fiscal year 2018 ended March 31, 2019
	<b>Proposals</b> 1. Election of eight candidates to the Board of Directors 2. Election of one candidate to the Audit & Supervisory Board

## Exercising voting rights

### ▼ Voting at the Meeting of Shareholders



Please bring this convocation notice and the enclosed Voting Instruction Card, and submit the form to the reception (There is no need to affix a seal on the form).

\* Those who are not entitled to vote, including proxies of shareholders or people accompanying them, may not enter the hall (with the exception of people accompanying physically handicapped shareholders).

**Time & Date** 10:00 a.m. on Tuesday, June 18, 2019(Japan time)  
(The reception will start at 09:30 a.m.)

### ▼ Voting via mail



Please indicate your approval or disapproval for each item listed on the enclosed Voting Instruction Card and return it to us.

**Deadline** 05:30 p.m. on Monday, June 17, 2019 (Japan time)

### ▼ Voting via the Internet and others



Please see the notes for online voting on page 3, access our designated voting site, <https://www.web54.net>, and enter your approval or disapproval for each item. If you are a nominee shareholder of a management trust bank or other financial institutions, please see the information on the platform to exercise your voting right electronically at the bottom section of page 3.

**Deadline** 05:30 p.m. on Monday, June 17, 2019 (Japan time)

If you wish to vote online, please note the following information in advance.

- If voting is conducted both in writing and online, the online vote will be regarded as effective.
- If voting is conducted the same way in duplicate, the most recent vote will be regarded as effective.
- If neither approval nor disapproval is indicated, it will be regarded as approval.

#### Notes:

- 1.Any changes to the Reference Document for the General Meeting of Shareholders, business report, consolidated financial statements and non-consolidated financial statements made up to the day preceding the Meeting will be announced on our website.
- 2.Of the documents to be provided to our shareholders with this notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are deemed to have been provided to our shareholders by posting on the Company’s website in accordance with applicable laws and regulations and Article 15 of the Company’s Articles of Incorporation. These notes are parts of the consolidated and non-consolidated financial statements audited by Members of the Audit & Supervisory Board and the Accounting Auditor for preparing audit reports.

Nidec’s website

<https://www.nidec.com/en-Global>



If you wish to vote online, please note the following information in advance

## 1. Voting website

Exercising voting rights online is possible only through the following voting website assigned by the Company. The site can also be accessed by mobile phones.

URL for voting website <https://www.web54.net>



With a barcode-reading mobile phone, access to the website is possible by reading the QR code® on the left. Please see the instructions for your mobile phone for details on bar code reading.

(QR code is a registered trademark of Denso Wave Inc.)

### (1) Exercising voting rights

- (i) If you wish to exercise your voting rights online, please use the voting code and password detailed on the Voting Instruction Card enclosed and follow the screen instructions to enter your approval or disapproval for the proposals.
- (ii) You can exercise your voting rights on the Internet until 05:30p.m. on Monday, June 17, 2019. However, in light of the need to tally all voting results, we respectfully ask that you conduct your voting early enough.
- (iii) If voting is conducted both in writing and online, the online vote will be regarded as effective.
- (iv) If voting is conducted multiple times, or if voting is conducted both by PC and by mobile phone, the most recent vote will be regarded as effective.

### (2) Cost for accessing the voting website

The payment for the telephone and other fees to connect to your Internet provider and to communicate with the communications company to use the Company's website to exercise your voting rights will be the responsibility of the shareholder.

#### For inquiries on exercising voting rights on the Internet

Please address any inquiries concerning exercising voting rights on the Internet to any of the following numbers:

List of shareholders administered by:  
Stock Transfer Agency Department,  
the Sumitomo Mitsui Trust Bank,  
Ltd.

For Inquiries



0120 – 652 – 031 (09:00 a.m. - 09:00 p.m., JST)



0120 – 782 – 031 (09:00 a.m. - 05:00 p.m. on weekdays, JST)

## 2. The platform to exercise voting rights electronically

In addition to the aforementioned online method to exercise voting rights electronically for the Company's General Meeting of Shareholders, nominee shareholders such as management trust banks (including their standing proxies) can, upon prior application, use the platform for exercising voting rights operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and other companies.

Reference Document for the General Meeting of Shareholders

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**Proposal 1 Election of eight candidates to the Board of Directors**

As the terms of all of the current eight members of the Board of Directors will expire at the end of this General Meeting of Shareholders, shareholders are requested to elect eight candidates as the members of the Company's Board of Directors.

The candidates for the position of the Company's Board of Directors are as follows:

Candidate number	Name		Current positions in the Company
01	Shigenobu Nagamori	Re-nominated	Representative Director and Chairman
02	Hiroyuki Yoshimoto	Re-nominated	Representative Director and President
03	Hiroshi Kobe	Re-nominated	Representative Director and Vice Chairman
04	Mikio Katayama	Re-nominated	Representative Director and Vice Chairman
05	Akira Sato	Re-nominated	Member of the Board of Directors and Executive Vice President
06	Toshihiko Miyabe	Re-nominated	Member of the Board of Directors and Executive Vice President
07	Teiichi Sato	Re-nominated	Member of the Board of Directors
		Outside Independent Director	
08	Osamu Shimizu	Re-nominated	Member of the Board of Directors
		Outside Independent Director	



Candidate number

01

Re-nominated

## Shigenobu Nagamori

Date of birth: August 28, 1944

Number of the Company's shares in possession 24,736,866 shares

### Reason for selecting as a candidate

We nominate Mr. Nagamori as a candidate for the Company's Board of Directors. We believe that Mr. Nagamori, who has served as Chief Executive Officer since he founded the Company and led the Nidec Group to become a one trillion-yen enterprise in a short period of time, is qualified to assume the position of the member of the Company's Board of Directors for the Group's further growth and development.

### Past experience, positions and responsibilities (Significant concurrent positions)

July 1973	Founded Nidec Corporation Representative Director, Chairman of the Board and President Chief Executive Officer (CEO) (current position)
October 2014	Representative Director, Chairman of the Board and President
June 2018	Representative Director and Chairman (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:

Nidec Sankyo Corporation

Nidec-Shimpo Corporation

Chairman of the Board, Nagamori Gakuen Educational Foundation



Candidate number

02

Re-nominated

## Hiroyuki Yoshimoto

Date of birth: October 28, 1967

Number of the Company's shares in possession 1,459 shares

### Reason for selecting as a candidate

Mr. Yoshimoto has served as Chairman and President of the Nidec Group's affiliated companies and is currently the Company's Chief Operating Officer (COO), possessing abundant experience, achievement and expertise in a wide range of areas. We nominate Mr. Yoshimoto as a candidate for the Company's Board of Directors because we believe that he is qualified to assume the position of the member of the Company's Board of Directors for the Group's further growth and development.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1991	Nissho Iwai Corporation (currently Sojitz Corporation)
February 2008	Calsonic Kansei Corporation
April 2010	Executive Vice President
April 2012	Nissan Motor Co., Ltd.
January 2014	Representative Director and President, Nissan Motor Thailand Co., Ltd.
March 2015	Executive Consultant, Nidec Corporation
May 2015	Representative Director and President, Nidec Tosok Corporation
November 2016	Executive Vice President
June 2017	Member of the Board of Directors and Executive Vice President
April 2018	Representative Director and Executive Vice President Chief Operating Officer (COO) (current position)
June 2018	Representative Director and President (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman, Nidec India Private Limited

Representative Director and Chairman:

Nidec Tosok Corporation

Nidec Elesys Corporation

Nidec Copal Corporation

Nidec Seimitsu Corporation





Candidate number

03

Re-nominated

### Hiroshi Kobe

Date of birth: March 28, 1949

Number of the Company's shares in possession 473,971 shares

#### Reason for selecting as a candidate

Mr. Kobe is a founding member of the Company, and currently the Company's Chief Sales Officer (CSO), possessing abundant experience, achievement, and expertise in the area of sales. We nominate Mr. Kobe as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promotion of the Nidec Group's sales strategy.

#### Past experience, positions and responsibilities (Significant concurrent positions)

- July 1973 Participated in the foundation of Nidec Corporation.
- March 1982 GM, Sales Dept.
- November 1984 Member of the Board of Directors
- November 1991 Member of the Board of Directors and Senior Vice President
- April 1996 Member of the Board of Directors and First Senior Vice President
- April 2000 Member of the Board of Directors and Executive Vice President
- April 2005 Chief Operating Officer (COO)
- June 2006 Representative Director and Executive Vice President
- June 2008 Representative Director and Executive Vice President
- June 2015 Representative Director and Vice Chairman (current position)  
Chief Sales Officer (CSO) (current position)

#### Significant concurrent positions

Representative Director and Chairman, Nidec Servo Corporation



Candidate number

04

Re-nominated

### Mikio Katayama

Date of birth: December 12, 1957

Number of the Company's shares in possession 2,174 shares

#### Reason for selecting as a candidate

Mr. Katayama has served as Chairman and President of another company prior to joining Nidec, and is currently the Company's Chief Technology Officer (CTO), possessing abundant experience, achievement and expertise in a wide range of areas including R&D. We nominate Mr. Katayama as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promotion of the Nidec Group's technological strategies.

#### Past experience, positions and responsibilities (Significant concurrent positions)

- July 1981 Sharp Corporation
- April 2006 Representative Director and First Senior Vice President
- April 2007 Representative Director and President
- April 2012 Member of the Board of Directors and Chairman
- September 2014 Executive Consultant, Nidec Corporation
- October 2014 Vice Chairman
- Chief Technology Officer (CTO) (current position)
- June 2015 Representative Director and Vice Chairman (current position)

#### Significant concurrent positions

Representative Director and Chairman, Nidec Techno Motor Corporation





Candidate number

05

Re-nominated

## Akira Sato

Date of birth: November 02, 1954

Number of the Company's shares in possession 4,151 shares

### Reason for selecting as a candidate

Mr. Sato supervises the Nidec Group's accounting and finance departments, and is currently serving as the Company's Chief Financial Officer (CFO), possessing abundant experience, achievement, and expertise in the area of finance. We nominate Mr. Sato as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promoting the Nidec Group's financial and management strategies.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1977	Nissan Motor Co., Ltd.
April 2002	Vice President
January 2012	First Senior Vice President, Nidec Corporation
June 2012	Member of the Board of Directors and First Senior Vice President
April 2013	Member of the Board of Directors and Executive Vice President (current position)
May 2016	Chief Financial Officer (CFO) (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
Nidec Europe B.V.  
Nidec Management Shanghai Corporation  
Nidec Americas Holding Corporation  
Member of the Board of Directors and President, Green Sun Insurance, Inc.



Candidate number

06

Re-nominated

## Toshihiko Miyabe

Date of birth: June 16, 1958

Number of the Company's shares in possession 9,765 shares

### Reason for selecting as a candidate

Mr. Miyabe has served as Chairman and President of the Nidec Group's overseas subsidiaries, and is currently the Executive General Manager of Small Precision Motor & Solutions (SPMS) Business Unit, possessing abundant experience, achievement and expertise in the area of small precision motor business. We nominate Mr. Miyabe as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1983	Nidec Corporation
April 2006	Representative Director and President, Nidec Philippines Corporation
June 2008	Vice President
April 2011	Senior Vice President
June 2012	Member of the Board of Directors and Senior Vice President
June 2013	Senior Vice President
June 2014	Member of the Board of Directors and First Senior Vice President
June 2015	Member of the Board of Directors and Executive Vice President (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
Nidec (Zhejiang) Corporation  
Nidec Philippines Corporation



Candidate number

07

Re-nominated

Outside

Independent Director

## Teiichi Sato

Date of birth: October 15, 1941

Number of the Company's shares in possession 197 shares

### Reason for selecting as a candidate

We nominate Mr. Teiichi Sato as an outside member of the Company's Board of Directors because we believe that Mr. Sato, who has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan and other organizations, with his high-level expertise, will be able to provide the Company with advice on the Company's overall business matters, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1964	The Ministry of Education, Science, Sports and Culture of Japan (currently the Ministry of Education, Culture, Sports, Science and Technology of Japan)
July 1990	Deputy Director-General (Higher Education Bureau)
July 1992	Deputy Commissioner for Cultural Affairs
July 1993	Director-General, Science and International Affairs Bureau
July 1994	Director-General, Minister's Secretariat
July 1997	Vice Minister of Education, Science, Sports and Culture of Japan
July 2000	Director-General, the Japan Society for the Promotion of Science
January 2003	Ambassador Extraordinary and Plenipotentiary, Permanent Delegation of Japan to the UNESCO
April 2007	Executive Director, Tokyo National Museum
October 2009	Professor, Graduate School of International University of Health and Welfare
June 2015	Member of the Board of Directors, NHK Promotions Inc. (current position)
June 2018	Outside Member of the Board of Directors, Nidec Corporation (current position)

### Significant concurrent positions

Member of the Board of Directors, NHK Promotions Inc.



Candidate number **08**

Re-nominated

Outside Independent Director

## Osamu Shimizu

Date of birth: September 21, 1953

Number of the Company's shares in possession **28 shares**

### Reason for selecting as a candidate

We nominate Mr. Osamu Shimizu as an outside member of the Company's Board of Directors because we believe that Mr. Shimizu, who has held prominent posts at the Ministry of Finance of Japan and other organizations, with his high-level expertise, will be able to provide the Company with advice on the Company's overall business matters, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1976	The Ministry of Finance of Japan
June 1984	Executive Director, African Development Bank
November 1996	Personal Secretary to the Minister of Finance of Japan
January 1998	Director for Inter-Division Affairs, Budget Bureau
July 1999	Director, Income Tax and Corporation Tax Policy Division, Tax Bureau
July 2001	Director, Planning and Administration Division, Tax Bureau
July 2003	Director-General, Fukuoka Regional Taxation Bureau, National Tax Agency
July 2004	Deputy Director-General of the Minister's Secretariat (Local Administrative and Financial Reform), the Ministry of Internal Affairs and Communications of Japan
July 2006	Deputy Director-General(International Bureau, Tax Bureau and Minister's Secretariat), the Ministry of Finance of Japan
January 2007	Deputy Director-General, Okinawa Development and Promotion Bureau, the Cabinet Office
July 2010	Director-General (Okinawa Affair), the Cabinet Office
January 2012	Vice-Minister for Policy Coordination, the Cabinet Office
April 2014	Professor, Graduate School of Public Management, Waseda University (current position)
June 2018	Outside Member of the Board of Directors, Nidec Corporation (current position)
October 2018	Registered as attorney-at-law, the Dai-ichi Tokyo Bar Association

### Significant concurrent positions

Professor, Graduate School of Public Management, Waseda University

#### Notes:

- No special relationship exists between any of these candidates to the Board of Directors and the Company.
- The information on the candidates to the positions as outside members of the Company's Board of Directors is as follows:
  - Messrs. Teiichi Sato and Osamu Shimizu are the candidates to the positions of outside members of the Company's Board of Directors who meet the requirements for independent directors for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - Messrs. Teiichi Sato and Osamu Shimizu, who are currently serving as outside members of the Company's Board of Directors, will have worked at the post for one year as of the end of this General Meeting of Shareholders.
  - Contract for limitation of liability  
The Company has executed a contract for limitation of liability with Messrs. Teiichi Sato and Osamu Shimizu, and intends to extend this contract if the re-appointment of each candidate is approved. The contract's outlines are as follows:  
-The maximum amount of liability that any outside members of the Board of Directors is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.  
-The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors being held accountable was executed under good will, and if no material negligence is identified in such duty.

## Proposal 2 Election of one candidate to the Audit & Supervisory Board

As the term of Mr. Ryuichi Tanabe, a member of the Audit & Supervisory Board, will expire at the end of this General Meeting of Shareholders, shareholders are requested to elect one candidate as the member of the Audit & Supervisory Board.

The consent of the Company's Audit & Supervisory Board has already been granted concerning this proposal.

The candidate for the position of the Company's Audit & Supervisory Board is as follows:



Candidate number

10

Newly nominated

Outside

Independent Director

**Takeshi Nakane**

Date of birth: June 24, 1949

Number of the Company's shares in possession 0 shares

### Reason for selecting as a candidate

We nominate Mr. Takeshi Nakane as an outside member of the Company's Audit & Supervisory Board because we believe that Mr. Nakane, who has held prominent posts at the Ministry of Foreign Affairs of Japan and other organizations, with his abundant experience and expertise, will be able to advise the Company from an independent position to enhance its auditing and corporate governance functions.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1974	The Ministry of Foreign Affairs of Japan
February 1996	Director, Overseas Establishments Division, Minister's Secretariat
April 1998	Minister, the Japanese Embassy in Republic of Korea
May 2000	Consul-General in Munich, Germany
August 2002	Assistant Vice-Minister
August 2005	Director-General, Disarmament, Non-proliferation and Science Department, Foreign Policy Bureau
July 2008	Envoy Extraordinary and Minister Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna
July 2009	Ambassador Extraordinary and Plenipotentiary, Permanent Mission of Japan to the International Organizations in Vienna
January 2012	Ambassador Extraordinary and Plenipotentiary of Japan to Federal Republic of Germany
January 2016	Left the Ministry of Foreign Affairs of Japan
February 2016	Special Assistant to the Ministry of Foreign Affairs of Japan (current position)
March 2018	Director, Kyoto Gakuen Educational Foundation (currently Nagamori Gakuen Educational Foundation) (current position)

### Significant concurrent positions

Special Assistant to the Minister of Foreign Affairs of Japan  
Director, Nagamori Gakuen Educational Foundation

#### Note:

- No special relationship exists between the candidate to the Audit & Supervisory Board and the Company.
- Mr. Takeshi Nakane is a Director of Nagamori Gakuen Educational Foundation as of the date when the notice of this General Meeting of Shareholders is sent to the Company's shareholders, but he is expected to resign from the post on June 17, 2019.
- The information on the candidate to the position as an outside member to the Company's Audit & Supervisory Board is as follows:
  - Mr. Takeshi Nakane is the candidate to the position of an outside member to the Company's Audit & Supervisory Board who meets the requirements for independent candidate for the position in accordance with the regulations of Tokyo Stock Exchange.
  - Contract for limitation of liability  
The Company intends to execute a contract for limitation of liability with Mr. Takeshi Nakane if his appointment is approved. The contract's outlines are as follows:
    - Should any outside members to the Company's Audit & Supervisory Board owe the Company any liability in damages as a result of his/her negligence to perform his/her professional duties, the maximum amount of such liability shall be the minimum amount of liability stipulated in Section 1, Article 425 of the Companies Act of Japan.
    - The aforementioned liability limitation of liability shall be applicable granted only in cases where no bona fide or material negligence exists in the execution of the professional duties about which liability was caused by the if the duty that resulted in any outside members to the Company's of the Audit & Supervisory Board.

**(Reference)**

When this Proposal is approved, the Company's Audit & Supervisory Board will consist of the following members.

Candidate for proposal	Name	Current position	Current positions in the Company
—	Kazuya Murakami	Current position	Fulltime Member of the Audit & Supervisory Board
—	Hiroyuki Ochiai	Current position	Fulltime Member of the Audit & Supervisory Board
—	Eisuke Nagatomo	Current position Outside Independent Director	Member of the Audit & Supervisory Board
—	Junko Watanabe	Current position Outside Independent Director	Member of the Audit & Supervisory Board
●	Takeshi Nakane	Newly nominated Outside Independent Director	Member of the Audit & Supervisory Board

## I Current circumstances of the Nidec Group

### 1. Current circumstances and results of business operations

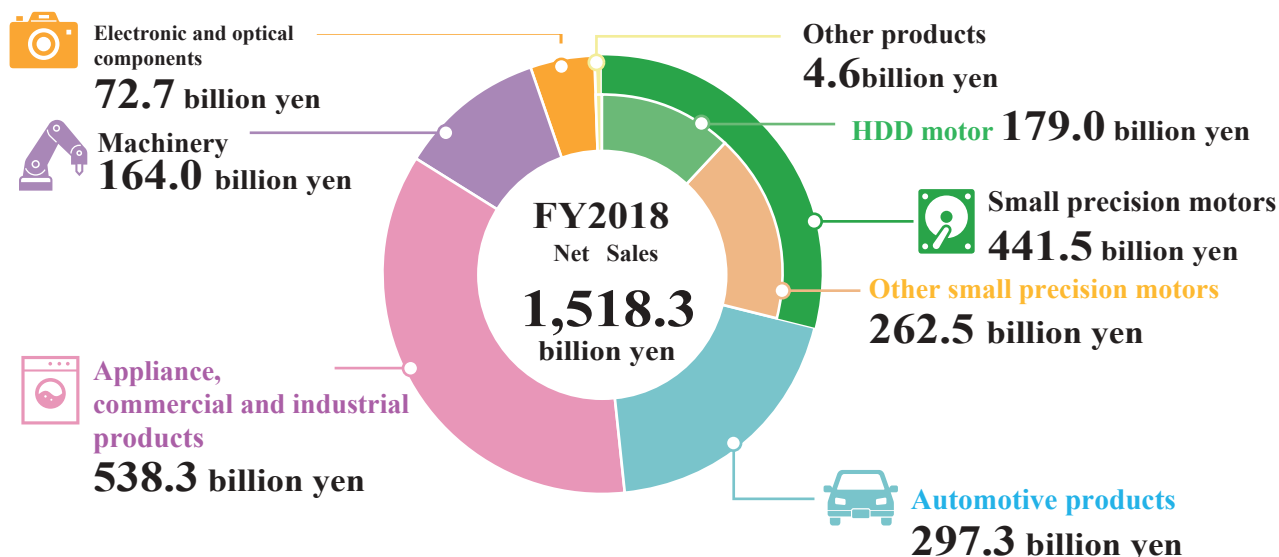
#### (1) Overview of business environment in the fiscal year 2018 ended March 31, 2019

During the year ended March 31, 2019, the global economy saw the U.S. economy remain strong, but the FRB forwent raising interest rates in 2019 due to concerns about a global economic slowdown. China had a major global impact due to factors such as a temporary acceleration of the Chinese economy's downturn as the result of the impact of the monetary tightening for regional governments from the middle of the year and concerns regarding the trade conflict between China and the U.S. From January, due in part to the implementation of economic measures by the Chinese government, economic indicators reflecting business sentiment improved, and there are hopes of progress in U.S.-China trade negotiations. In the meantime, the deceleration of the Chinese economy caused the European economy's slowdown to continue. Likewise, in the Japanese economy, the Chinese economic downturn affected Japanese corporate results including weaker business sentiment in large corporations and the manufacturing industry in the Bank of Japan's Tankan survey.

It was under such an environment that the Nidec Group continued to pursue our targets for the fiscal year ending March 31, 2021 of consolidated net sales of ¥2 trillion and operating profit of ¥300 billion based on our mid-term strategic goal, "Vision 2020." Compared to the previous fiscal year, consolidated net sales increased 2.0% to ¥1,518,320 million, which is a new record high for the period in the Company's history, operating profit decreased 16.9% to ¥138,620 million, profit before income taxes decreased 15.1% to ¥139,014 million, and profit attributable to owners of the parent decreased 15.3% to ¥110,798 million, in the fiscal year ended March 31, 2019.

#### (2) Operating results by product category for the fiscal year 2018


From the fiscal year ended March 31, 2019, "Automotive, appliance, commercial and industrial products" products group has been further classified into "Automotive products" products group, and "Appliance, commercial and industrial" products group.



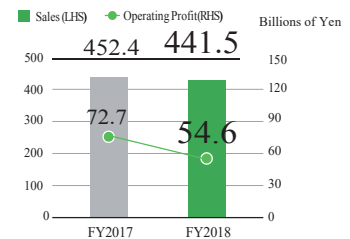


## Small precision motors

HDD motor, brushless motor, fan motor, vibration motor, brushed motor, motor-applied product, etc.

Net sales **¥441,467 million**  
-2.4% 

Operating profit **¥54,638 million**  
-24.9% 

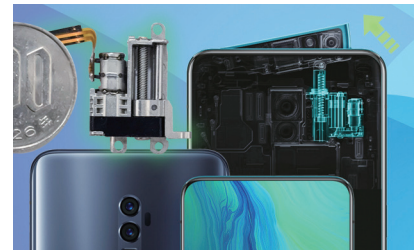


Net sales of this category decreased 2.4% to ¥441,467 million for the fiscal year 2018 compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of small precision motors of approximately ¥900 million for the fiscal year 2018 compared to the previous fiscal year.

Net sales of spindle motors for HDDs, for the fiscal year 2018 decreased 6.5% to ¥179,011 million compared to the previous fiscal year. The number of units sold of spindle motors for HDDs decreased approximately 11.1% compared to the previous fiscal year, and sales fell.

Net sales of other small precision motors for the fiscal year 2018 increased 0.6% to ¥262,456 million compared to the previous fiscal year. This increase was due to an increase in sales of small vibration motors, despite decreases in sales of DC motors and fan motors.

Operating profit of this category decreased 24.9% to ¥54,638 million for the fiscal year 2018 compared to the previous fiscal year due to the recording of approximately ¥12,000 million in losses related to the launches of new products and structural reform expenses caused by the streamlining of plants. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of small precision motors of approximately ¥1,600 million compared to the previous fiscal year.





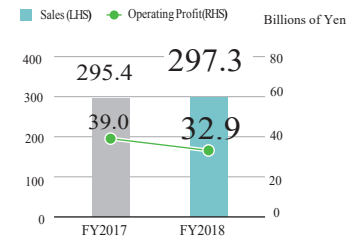


## Automotive

### Automotive motor and automobile components

**Net sales**      **¥297,298 million**  
+0.7%

**Operating profit**      **¥32,900 million**  
-15.6%



Net sales of this category increased 0.7% to ¥297,298 million for the fiscal year 2018 compared to the previous fiscal year. This increase was primarily due to an increase in sales of products of control valves at Nidec Tosok Corporation. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of automotive products of approximately ¥1,500 million for the fiscal year 2018 compared to the previous fiscal year.

Operating profit of this category decreased 15.6% to ¥32,900 million for the fiscal year 2018 compared to the previous fiscal year due to the recording of approximately ¥9,100 million in losses related to the launches of new products and others. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of automotive products of approximately ¥500 million for the fiscal year 2018 compared to the previous fiscal year.

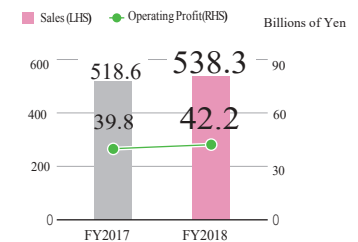


## Appliance, commercial and industrial products

### Appliance, commercial and industrial products

**Net sales**      **¥538,316 million**  
+3.8%

**Operating profit**      **¥42,217 million**  
+6.1%



Net sales of this category increased 3.8% to ¥538,316 million for the fiscal year 2018 compared to the previous fiscal year. This increase was primarily due to the newly consolidated subsidiaries, whose acquisition was completed during the previous second quarter, and increases in sales of industrial motors, generators, and other products. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of appliance, commercial and industrial products of approximately ¥1,000 million for the fiscal year 2018 compared to the previous fiscal year.

Operating profit of this category increased 6.1% to ¥42,217 million for the fiscal year 2018 compared to the previous fiscal year. This increase was due mainly to the increase in sales and cost reduction effects, despite the recording of approximately ¥9,400 million in temporary expenses resulting from the streamlining of plants and M&A costs. The fluctuations of the foreign currency exchange rates had a positive effect on operating profit of appliance, commercial and industrial products of approximately ¥100 million for the fiscal year 2018 compared to the previous fiscal year.





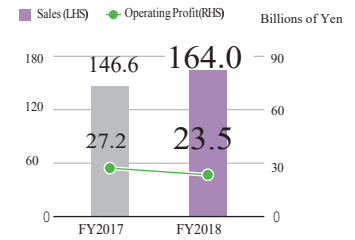
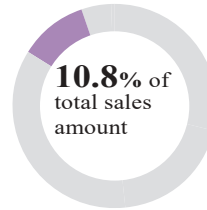
## Machinery

Industrial robot, card reader, inspection equipment, pressing machine, power transmission equipment, etc.

Net sales **¥163,966 million**  
+11.9%

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Operating profit **¥23,489 million**  
-13.8%



Net sales of this category increased 11.9% to ¥163,966 million for the fiscal year 2018 compared to the previous fiscal year due to the newly consolidated subsidiaries and increases in sales of press machines, speed reducers and LCD panel handling robots and other factors.

Operating profit of this category decreased 13.8% to ¥23,489 million for the fiscal year 2018 compared to the previous fiscal year due to the recording of approximately ¥3,100 million in temporary expenses such as the disposal of long-term retained stock, despite increased profit due to the increase in sales.



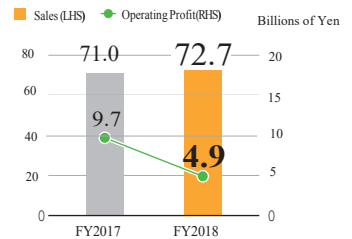
## Electronic and optical components

Switch, trimmer potentiometer, lens unit, camera shutter, etc.

Net sales **¥72,672 million**  
+2.4%

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Operating profit **¥4,870 million**  
-49.9%



Net sales of this category increased 2.4% to ¥72,672 million for the fiscal year 2018 compared to the previous fiscal year. Operating profit of this category decreased 49.9% to ¥4,870 million for the fiscal year 2018 compared to the previous fiscal year. This decrease was due to the recording of approximately ¥5,100 million in temporary expenses such as the disposal of long-term retained stock and startup expenses for a plant in Mexico, despite increased profit due to the increase in sales.

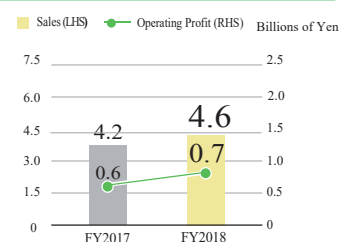


## Other products

## Service

Net sales **¥4,601 million**  
+10.2% 

Operating profit **¥679 million**  
+18.3% 



Net sales of this category increased 10.2% to ¥4,601 million, and operating profit of this category increased 18.3% to ¥679 million, for the fiscal year 2018 compared to the previous fiscal year.



## 2. Financing and capital investment

### (1) Financing

During the fiscal year ended March 31, 2019, we issued 300 million euros in euro-denominated straight bonds in September 2018, with the funds to be allocated for uses such as the Group's capital investment in Europe.

With regard to our subsidiaries, we in principle do not procure funds from financial institutions, but use the cash management systems, etc. of management companies within our group to promote the consolidation of fund procurement sources and efficient use of funds.

The total amount of the loans and corporate bonds as of the end of the fiscal year ended March 31, 2019 is ¥371,650 million.

### (2) Capital investment

The total capital investment in property, plant and equipment for the year ended March 31, 2019 was ¥120,555 million. This mainly consists of capital investment to strengthen domestic R&D such as constructing a new Nidec Sankyo Corporation plant, and increase production capacity of overseas subsidiaries.

### 3. Assets, profits and losses for the past three fiscal years

#### (1) Assets, profits, and losses of the Nidec Group

##### [International Financial Reporting Standards (IFRS)]

		FY2015	FY2016	FY2017	FY2018
Net sales	(yen in millions)	1,178,290	1,199,311	1,488,090	1,518,320
Operating profit	(yen in millions)	117,662	139,366	166,842	138,620
Profit attributable to owners of the parent	(yen in millions)	89,945	111,007	130,834	110,798
Earnings per share attributable to owners of the parent - basic	(yen)	303.04	374.27	441.91	375.83
Total assets	(yen in millions)	1,376,636	1,678,997	1,773,199	1,875,068
Total equity attributable to owners of the parent	(yen in millions)	763,023	846,572	932,501	997,628
Total equity per share attributable to owners of the parent	(yen)	2,572.56	2,854.28	3,150.77	3,389.91

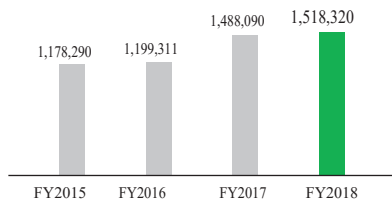
##### [U.S. GAAP]

		FY2015
Net sales	(yen in millions)	1,178,290
Operating income	(yen in millions)	124,538
Profit attributable to owners of the parent	(yen in millions)	91,810
Profit attributable to owners of the parent per share-basic	(yen)	309.32
Total assets	(yen in millions)	1,384,472
Total equity attributable to owners of the parent	(yen in millions)	764,221
Total equity per share attributable to owners of the parent	(yen)	2,576.59

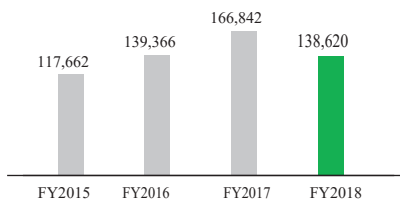
##### Notes:

1. Figures shown in yen in millions are rounded to the nearest million.
2. "Net sales" do not include consumption taxes.
3. From fiscal year 2016, we prepare the consolidated financial statements based on IFRS in accordance with the provisions of Article 120, Paragraph 1 of Corporate Accounting Rules. The figures for the fiscal year 2015 based on IFRS are also stated for reference purpose.
4. "Earnings per share attributable to owners of the parent - basic" have been calculated based on figures of "Profit attributable to owners of the parent."
5. "Earnings per share attributable to owners of the parent - basic" and "Profit attributable to owners of the parent per share-basic" are calculated based on the average total number of the Company's shares issued and outstanding (excluding treasury stocks) during each fiscal year. "Total equity per share attributable to owners of the parent" are calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the each fiscal year.
6. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent -basic" and "Total equity per share attributable to owners of the parent" for the fiscal year 2018, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of the each fiscal year.
7. Nidec Group has finalized the provisional accounting treatment for changes in accounting policies and business combinations in the fiscal year ended March 31, 2019. The consolidated financial statements for the fiscal year ended March 31, 2018 were prepared based on the figures reflecting the revision of the initially allocated amounts of acquisition price as Nidec Group finalized the provisional accounting treatment for changes in accounting policies and business combination.

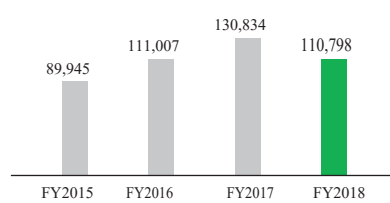
Net sales (Yen in millions)



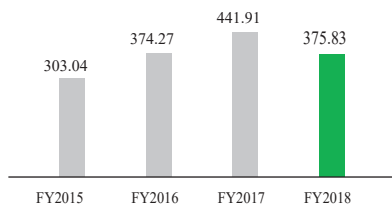
Operating profit (Yen in millions)



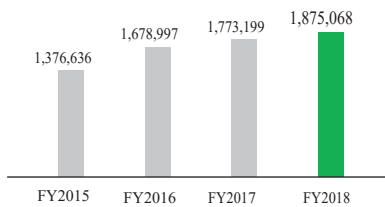
Profit attributable to owners of the parent (Yen in millions)



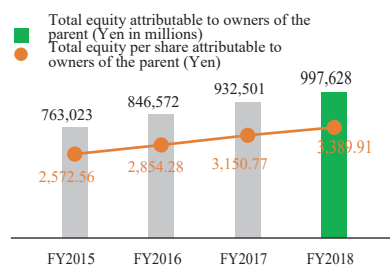
Earnings per share attributable to owners of the parent - basic (Yen)



Total assets (Yen in millions)



Total equity attributable to owners of the parent / Total equity per share attributable to owners of the parent



## (2) Assets, profits and losses of the Nidec Corporation

		FY2015	FY2016	FY2017	FY2018
Net Sales	(Yen in millions)	230,260	218,682	225,793	222,217
Ordinary profit	(Yen in millions)	20,657	10,558	16,947	49,213
Net income	(Yen in millions)	17,658	7,808	16,715	48,417
Earnings per share-basic	(Yen)	59.49	26.32	56.46	164.23
Total assets	(Yen in millions)	702,471	866,247	904,890	983,178
Total net assets	(Yen in millions)	348,457	334,814	318,857	309,867
Net assets per share	(Yen)	1,174.83	1,128.85	1,077.36	1,052.92

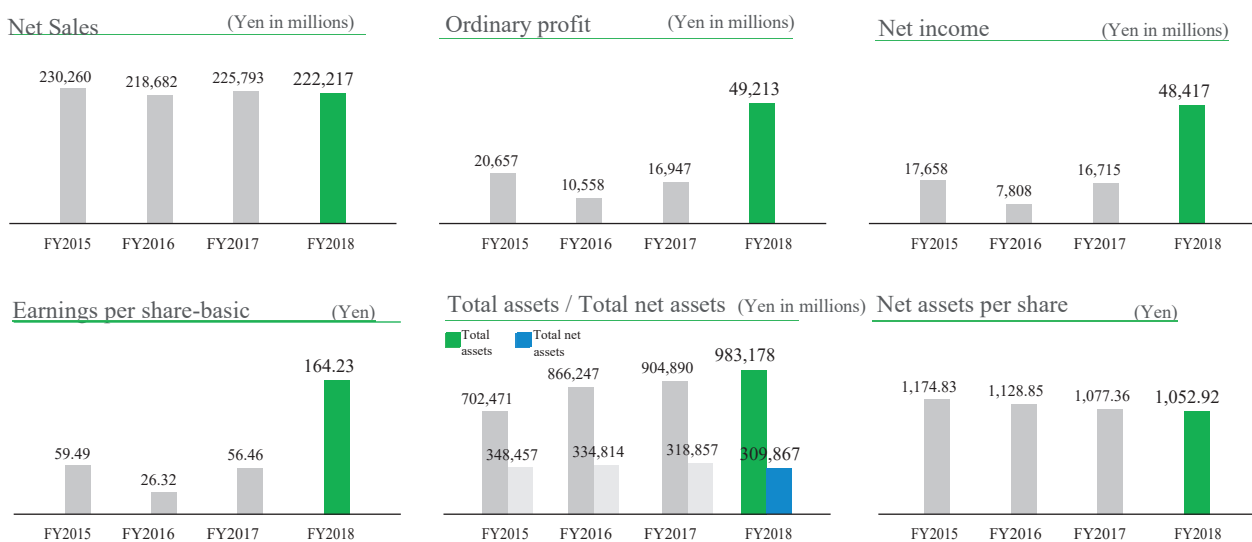
### Notes:

1. Figures shown in yen in millions are rounded to the nearest million.

2. "Net sales" do not include consumption taxes.

3. "Earnings per share-basic" is calculated based on the total average number of shares issued and outstanding (excluding treasury stocks) during each fiscal year. "Net assets per share" are calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the each fiscal year.

4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share-basic" and "Net assets per share" for the fiscal year 2018, the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during fiscal year 2018 as well as the total number of shares issued as of the end of the fiscal year.



#### **4. Nidec Group's Challenges**

##### **(1) Enhancing the Corporate Governance System**

For this fiscal year ending March 31, 2020, Nidec Group plans to have three independent outside members of the Audit and Supervisory Board and two independent outside members of the Board of Directors, five individuals in total, who will contribute to the carrying out of more lively discussions in the Meetings of the Board of Directors. With this system in the Meetings of the Board of Directors as a prime example, Nidec Group is striving to further enhance corporate governance.

##### **(2) Building and Strengthening Global Management Infrastructure**

Nidec Group as a global company will further enhance its group's business management, accounting and financial reporting, and business information disclosure systems in accordance with global standards.

To secure a global sustainable growth and accelerate the pace of the post-merger integration (PMI) process of companies purchased overseas, we are building a "five-pronged global matrix-based business management system" intended to strengthen the foundation of our growth strategy. Specific actions include the establishment and functional expansion of regional management companies, which will be tasked to improve management quality (in the areas of governance, compliance, and internal control), secure good management efficiency (providing high-quality, low-cost shared services for individual regions), and actively support PMI.

We previously maintained a "federate-style" management system, under which individual group companies maintained a high degree of independence and autonomy in their business operations; however, to address globalization needs, we are shifting towards a "unified group matrix management" increasingly quickly.

Nidec Group's Corporate Administration & Internal Audit Department, which is responsible for group-wide internal controls, has in place a global auditing system to strengthen auditing of the sphere related to prevention of improprieties as a response to strengthening the global management system. Nidec Group is striving to further strengthen internal controls based on the experience and know-how gained through the past audits of our financial statements and the implementation of measures to comply with the U.S. Sarbanes-Oxley Act of 2002. We also seek to improve our information disclosure system and policy through enhanced cooperation between a committee responsible for information disclosure and other relevant specialized departments.

Such specialized departments and offices, including the Compliance Office, the Risk Management Office, and the Investor Relations & CSR Promotion Department, also collaborate with one another and other departments as appropriate. We seek to find ways to create and maintain jobs and otherwise contribute to society based on our basic management policy as a good corporate citizen.



**5. Main businesses of the Nidec Group (as of March 31, 2019)**

The Nidec Group mainly manufactures and sells spindle motors for hard disk drives (HDD motors), small precision motors for PCs' peripheral devices, OA (office automation) equipment/devices, home appliances, etc., and automotive motors and components. Also, we manufacture and sell mid-large size motors for home appliance, commercial and industrial motors and related products, machinery, electronic and optical components, as well as providing related services.

The group's business categories are as follows:

Product Group	Products
Small precision motors	HDD motors, brushless motors, fan motors, vibration motors, brushed motors and motor applications
Automotive products	Automotive motors and components
Appliance, commercial and industrial products	Home appliance, commercial and industrial motors and related products
Machinery	Industrial robots, card readers, test systems, press machines and power transmission drives
Electronic and optical components	Switches, trimmer potentiometers, lens units and camera shutters
Others	Services

Note: From the year ended March 31, 2019, the product category "Automotive, appliance, commercial and industrial products" has been divided and presented as "Automotive products" and "Appliance, commercial and industrial products."

**6. Major business sites, plants, and employees of Nidec Group (as of March 31, 2019)**

(1) Major business sites and plants

Head office	Minami-ku, Kyoto, Japan
Sales offices and product development sites	Kyoto, Tokyo, Shiga, Nagano, and Kawasaki, Japan
Other sites	Nidec Electronics (Thailand) Co., Ltd. Nidec Singapore Pte. Ltd. Nidec (H.K.) Co., Ltd. Nidec Sankyo Corporation (Nagano) Nidec Copal Corporation (Tokyo) Nidec Techno Motor Corporation (Kyoto) Nidec Motor Corporation (U.S.A.) Nidec Motors & Actuators (Germany) GmbH

(2) Employees of the Nidec Group

(i) The Nidec Group

Category	Number of Employees	Increase (decrease) from the end of previous fiscal year
Total	108,906	1,352

Note: In addition to the above employees, 28,885 people are working as temporary staff.

(ii) Nidec Corporation

Category	Number of Employees	Increase (decrease) from the end of previous fiscal year	Average age	Average years of employment
Total	2,794	218	39.0	9.4

Note: In addition to the above employees, 185 people are working as temporary staff.

## 7. Important parent companies and subsidiaries

### (1) Important subsidiaries (as of March 31, 2019)

Subsidiaries	Capital or investment	Ratio of voting rights	Principal business
Nidec Electronics (Thailand) Co., Ltd.	USD 231,657 thousand	99.9%	Manufacturing and sales of small precision motors
Nidec Singapore Pte. Ltd.	USD 4,656 thousand	100.0%	Sales of small precision motors
Nidec (H.K.) Co., Ltd.	HKD 2,352 thousand	100.0%	Sales of small precision motors
Nidec Sankyo Corporation	JPY 35,270 million	100.0%	Manufacturing and sales of small precision motors, automotive products, machinery and electronic components
Nidec Copal Corporation	JPY 11,080 million	100.0%	Manufacturing and sales of small precision motors, machinery and electronic and optical components
Nidec Techno Motor Corporation	JPY 2,500 million	100.0%	Manufacturing and sales of commercial and industrial products
Nidec Motor Corporation	USD 1,355,662 thousand	100.0% (100.0%)	Manufacturing and sales of appliance, commercial and industrial products
Nidec Motors & Actuators (Germany) GmbH	EUR 25 thousand	100.0%	Manufacturing and sales of automotive products

- Notes: 1. Figures are rounded off to the minimum unit in the capitals.  
2. The percentages within the parentheses in the "Ratio of voting rights" column indicate the ratios of the voting rights owned by the Company's subsidiaries and other institutions.

### (2) Business combinations

N/A

**8. Major borrowings lenders and amounts borrowed (as of March 31, 2019)**

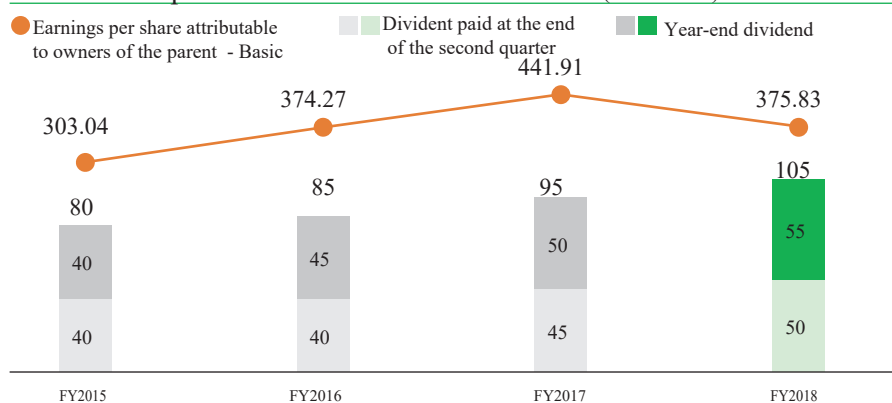
Lenders	Balance of borrowings (yen in millions)
MUFG Bank, Ltd.	61,883
Sumitomo Mitsui Banking Corporation	30,841

**9. Dividend Policy**

From the standpoint of upholding shareholder-oriented management, we strive to make the efforts mandated by our shareholders; namely, we aim to maintain and improve over the long term our dynamic growth, large revenues, high share price, advanced technology, and generous treatment of our workers. We also strive to present a vision for the future that is reflective of our constant and vigilant attention to the changing times. Fundamental to this stance of ours is our untiring and enduring commitment to growth. In our policy on profit distribution as well, we place importance on maintaining stable dividends, targeting a dividend payout ratio to around 30% of our consolidated profit for the year, and strive to improve dividends while keeping them commensurate with consolidated profit for the year.

At the same time, we work to improve revenues by utilizing internal reserves to further strengthen our operational structure and invest in business expansion.

Trend of earnings per share attributable to owners of the parent - basic (EPS) and dividend per share (Yen/Share)



**10. Other important matters concerning the current business circumstances of the Nidec Group**

N/A

## II. Matters concerning shares of the Company (as of March 31, 2019)

1. Total number of shares authorized to be issued: 960,000,000

2. Total number of issued shares: 298,142,234

3. Number of shareholders: 66,544

### 4. Ten major shareholders (excluding treasury stocks):

Shareholders	Shares owned (in thousands)	Shareholding ratio (%)
Shigenobu Nagamori	24,736	8.40
The Master Trust Bank of Japan, Ltd. (trust account)	17,546	5.96
Japan Trustee Services Bank, Ltd. (trust account)	17,437	5.92
The Bank of Kyoto, Ltd.	12,399	4.21
S.N. KOSAN, LLC	10,122	3.43
SSBTC CLIENT OMNIBUS ACCOUNT	8,462	2.87
MUFG Bank, Ltd.	7,425	2.52
Nippon Life Insurance Company	6,579	2.23
Meiji Yasuda Life Insurance Company	6,402	2.17
JP MORGAN CHASE BANK 380055	4,928	1.67

- Notes: 1. The numbers of shares owned have been rounded down to the nearest 1,000 shares.  
2. The shareholding ratio was calculated excluding treasury stocks (3,766,812 shares).

### **III. Matters concerning the Company's share warrant**

N/A

#### IV. Matters concerning the members of the Board of Directors and the Audit & Supervisory Board of the Company

##### 1. Members of the Board of Directors and the Audit & Supervisory Board (as of March 31, 2019)

Position	Name	Job description and concurrent positions at other corporations
Representative Director and Chairman	Shigenobu Nagamori	Chief Executive Officer, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Sankyo Corporation and Nidec-Shimpo Corporation; and Chairman of the Board, Kyoto Gakuen Educational Foundation
Representative Director and President	Hiroyuki Yoshimoto	Chief Operating Officer, Executive General Manager, Automotive Motor & Electronic Control Business Unit and Appliance, Commercial & Industrial Motor Business Unit, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec (Dalian) Limited, Nidec Automotive Motor (Zhejiang) Corporation and Nidec India Private Limited; Representative Director and Chairman, Nidec Tosok Corporation, Nidec Elesys Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation; Member of the Board of Directors and Chairman, Nidec Motor Corporation; and Chairman, Nidec Automotive Motor Americas, LLC
Representative Director and Vice Chairman	Hiroshi Kobe	Chief Sales Officer, Adviser to President (in the area of Global Business Promotion & Marketing Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept. and 3Q6S), Nidec Corporation; and Representative Director and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation
Representative Director and Vice Chairman	Mikio Katayama	Chief Technology Officer, Adviser to President (in the area of Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, Global Production Engineering Division and Intellectual Property Dept.), Nidec Corporation; and Representative Director and Chairman, Nidec Techno Motor Corporation
Member of the Board of Directors and Executive Vice President	Akira Sato	Chief Financial Officer, Adviser to President (in the area of Corporate Strategy Office and Group Companies Management Dept.), in charge of managing Investor Relations & CSR Promotion Dept., Accounting Dept., Global Tax Planning Dept. and Finance Dept., Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Europe B.V., Nidec Management Shanghai Corporation and Nidec Americas Holding Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.

Position	Name	Job description and concurrent positions at other corporations
Member of the Board of Directors and Executive Vice President	Toshihiko Miyabe	Executive General Manager, Small Precision Motor & Solutions Business Unit, BU-wide Business Planning and First Senior General Manager, General Application Motor & Solutions Business Group, Nidec Corporation; and Member of the Board of Directors and Chairman, Nidec (Zhejiang) Corporation and Nidec Philippines Corporation
Member of the Board of Directors	Teiichi Sato	Member of the Board of Directors, NHK Promotions Inc.
Member of the Board of Directors	Osamu Shimizu	Professor, Graduate School of Public Management, Waseda University
Fulltime Member of the Audit & Supervisory Board	Ryuichi Tanabe	Member of the Audit & Supervisory Board, Nidec-Read Corporation
Fulltime Member of the Audit & Supervisory Board	Kazuya Murakami	
Fulltime Member of the Audit & Supervisory Board	Hiroyuki Ochiai	
Member of the Audit & Supervisory Board	Eisuke Nagatomo	Representative Director and Member of the Board of Directors, EN associates, Co., Ltd.; Visiting Professor, Graduate School of Commerce, Waseda University; and Outside Member of the Board of Directors, Miroku Jyoho Service Co., Ltd. and Nikkiso Co., Ltd.
Member of the Audit & Supervisory Board	Junko Watanabe	Professor, Graduate School of Economics and Faculty of Economics, Kyoto University

- Notes:
1. Messrs. Teiichi Sato and Osamu Shimizu, outside members of the Board of Directors, have been appointed as Independent Directors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of Tokyo Stock Exchange.
  2. Messrs. Ryuichi Tanabe and Eisuke Nagatomo and Ms. Junko Watanabe, outside members of the Audit & Supervisory Board, have been appointed as Independent Auditors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of Tokyo Stock Exchange.
  3. Appointments and transfers of members of the Board of Directors and the Audit & Supervisory Board during the 45th Regular General Meeting of Shareholders held on June 20, 2018 were as follows:
    - (i) Messrs. Teiichi Sato and Osamu Shimizu were newly elected and assumed office as members of the Board of Directors.
    - (ii) Mr. Hiroyuki Ochiai was newly elected and assumed office as a member of the Audit & Supervisory Board.
    - (iii) Mr. Kiyoto Ido and Ms. Noriko Ishida, members of the Board of Directors, retired from the post.
    - (iv) Mr. Osamu Narumiya, a member of the Audit & Supervisory Board, resigned and retired from the post.
  4. Mr. Eisuke Nagatomo, a member of the Audit & Supervisory Board, retired from his post as Visiting Professor, Graduate School of Commerce, Waseda University on March 31, 2019.



5. The member of the Board of Directors who retired during the fiscal year 2018 was as follows.

Name	Date of retirement	Reason of retirement	Job description and concurrent positions at other corporations at the time of retirement
Tetsuo Onishi	October 31, 2018	Resignation	Member of the Board of Directors and Executive Vice President Executive General Manager, Appliance, Commercial & Industrial Motor Business Unit, Nidec Corporation; Representative Director and Chairman, Nidec Motor Holdings Corporation; and Member of the Board of Directors and Chairman, Nidec ASI S.p.A. and Nidec Motor Corporation

6. Mr. Teiichi Sato, a member of the Board of Directors, has held prominent posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan and other organizations, and possesses abundant experience and high-level expertise. No special relationship exists between Nidec Corporation and his concurrently held posts.
7. Mr. Osamu Shimizu, a member of the Board of Directors, has held prominent posts at the Ministry of Finance of Japan and other organizations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.
8. Mr. Ryuichi Tanabe, a member of the Audit & Supervisory Board, has worked globally as a diplomat, and possesses broad international perspectives and knowledge. Nidec-Read Corporation, for which Mr. Tanabe works as a member of the Audit & Supervisory Board, is Nidec Corporation's subsidiary.
9. Mr. Kazuya Murakami, a member of the Audit & Supervisory Board, has held prominent posts at the Ministry of Finance of Japan and other organizations, and possesses sufficient knowledge and expertise on finance and accounting.
10. Mr. Hiroyuki Ochiai, a member of the Audit & Supervisory Board, has held prominent posts at the Ministry of Economy, Trade and Industry of Japan and other organizations, and possesses abundant experience and high-level expertise.
11. Mr. Eisuke Nagatomo, a member of the Audit & Supervisory Board, has held prominent posts at Tokyo Stock Exchange and other corporations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.
12. Ms. Junko Watanabe, a member of the Audit & Supervisory Board, has abundant experience and high-level expertise as a university professor. We made a donation to Kyoto University to support its educational and research activities during the fiscal year 2018; however, the amount of the donation was insignificant.
13. Changes in positions and concurrent positions.

The following changes were made as of April 01, 2019:

Position	Name	Job description and concurrent positions at other corporations
Representative Director and Chairman	Shigenobu Nagamori	Chief Executive Officer, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Sankyo Corporation and Nidec-Shimpo Corporation; and Chairman of the Board, Nagamori Gakuen Educational Foundation
Representative Director and President	Hiroyuki Yoshimoto	Chief Operating Officer, Executive General Manager, Appliance, Commercial & Industrial Motor Business Unit, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec India Private Limited; Representative Director and Chairman, Nidec Tosok Corporation, Nidec Elesys Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation; and Member of the Board of Directors and Chairman, Nidec Motor Corporation

Position	Name	Job description and concurrent positions at other corporations
Representative Director and Vice Chairman	Hiroshi Kobe	Chief Sales Officer, Adviser to President (in the area of Global Business Promotion & Marketing Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Dept., Human Resource Planning Dept., Information Security Management Office, Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept. and 3Q6S), Nidec Corporation; and Representative Director and Chairman, Nidec Servo Corporation.
Representative Director and Vice Chairman	Mikio Katayama	Chief Technology Officer, Adviser to President (in the area of Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, Global Production Engineering Division and Intellectual Property Dept.), Nidec Corporation; and Representative Director and Chairman, Nidec Techno Motor Corporation
Member of the Board of Directors and Executive Vice President	Toshihiko Miyabe	Executive General Manager, Small Precision Motor & Solutions Business Unit, BU-wide Business Planning and First Senior General Manager, General Application Motor & Solutions Business Group, Nidec Corporation; and Member of the Board of Directors and Chairman, Nidec (Zhejiang) Corporation and Nidec Philippines Corporation

The following changes were made as of May 01, 2019:

Position	Name	Job description and concurrent positions at other corporations
Representative Director and President	Hiroyuki Yoshimoto	Chief Operating Officer, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec India Private Limited; and Representative Director and Chairman, Nidec Tosok Corporation, Nidec Elesys Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation

**2. Total compensation, etc., for members of the Board of Directors and members of the Audit & Supervisory Board**

Category	Number of persons	Total amount of compensation, etc. by type		Description
		Fixed compensation	Performance-linked compensation	
Members of the Board of Directors	11	¥388 million	¥22 million	Including ¥14 million for four Outside Members of the Board of Directors
Members of the Audit & Supervisory Board	6	¥62 million	-	Including ¥28 million for three Outside Members of the Audit & Supervisory Board
Total	17	¥450 million	¥22 million	

- Notes:
1. The above includes information regarding three members of the Board of Directors (including two outside members of the Board of Directors) and one member of the Audit & Supervisory Board who retired during the fiscal year 2018.
  2. Introduction of the performance-linked share-based remuneration plan for Members of the Board of Directors, etc. was resolved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. The aforementioned amounts are the amounts recorded as expenses in the fiscal year 2018 in accordance with the Japanese standards. Outside members of the Board of Directors are not covered by this plan.

### 3. Major activities of outside members of the Board of Directors

#### (1) Attendance and statements made by outside members of the Board of Directors at the meetings of the Board of Directors

Name	Attendance (number of times)		Statement
	Meeting of the Board of Directors		
Teiichi Sato	19		Business management-related statements based on a professional viewpoint
Osamu Shimizu	19		Business management-related statements based on a professional viewpoint

- Notes:
1. During the fiscal year 2018, the meetings of the Board of Directors were held 25 times.
  2. During the 45th Regular General Meeting of Shareholders held on June 20, 2018, Messrs. Teiichi Sato and Osamu Shimizu were newly elected and assumed office as outside members of the Board of Directors. In the period between this date and the end of the fiscal year 2018, the meetings of the Board of Directors were held 20 times.

#### (2) Attendance and statements made by outside members of the Audit & Supervisory Board at the meetings of the Board of Directors and the meetings of the Audit & Supervisory Board

Name	Attendance (number of times)		Statement
	Meeting of the Board of Directors	Meeting of the Audit & Supervisory Board	
Ryuichi Tanabe	25	15	Business management-related statements based on a professional viewpoint
Eisuke Nagatomo	23	14	Business management-related statements based on a professional viewpoint
Junko Watanabe	24	15	Business management-related statements based on a professional viewpoint

- Note: During the fiscal year 2018, the meetings of the Board of Directors were held 25 times, and the meetings of the Audit & Supervisory Board were held 15 times.

#### (3) Overview of Limited Liability Agreement

Nidec Corporation has a limit liability contract with Messrs. Teiichi Sato and Osamu Shimizu (outside members of the Board of Directors), and with Messrs. Ryuichi Tanabe and Eisuke Nagatomo and Ms. Junko Watanabe (outside members of the Audit & Supervisory Board). The contract's overview is as follows:

- The maximum amount of liability that any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board being held accountable was executed under good will, and if no material negligence is identified in such duty.

## V. Matters concerning the accounting auditor

### 1. Name of the accounting auditor

PricewaterhouseCoopers Kyoto

### 2. Fees paid to the accounting auditor

Category	Amount Paid
(1) Total amount of fees to be paid by the Company	¥269 million
(2) Total amount of money and other asset-type profit to be paid by the Company and its subsidiaries	¥605 million

- Notes:
1. The amount in (1) above shows the total of all audit fees combined because, in the audit contracts between the Company and its accounting auditor, the audit fees for Companies Act-based audits and Financial Instruments and Exchange Law-based audits are not distinguished, nor could they be distinguished in substance.
  2. The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.
  3. Of the Company's important subsidiaries, Nidec Motor Corporation and other four companies undergo audits (limited to the audits subject to Companies Act or Financial Instruments and Exchange Act of Japan (including laws and regulations that are equivalent to these laws) by certified public accountants or auditing firms other than the Company's accounting auditor (including those with overseas qualifications equivalent to those of such accountants or firms).
  4. The Audit & Supervisory Board obtained necessary documents, and received and discussed reports, from the members of the Board of Directors, concerned departments of the Company, and the accounting auditor, and, determined and reached consensus that the basis of the calculation of the remuneration, etc. estimated based on the audit plan and audits executed during the previous fiscal year and on the audit time and personnel allocation plan for the fiscal year 2018 audit plan is correct, based on the detailed and clear relationship between the audit work and the remuneration.

### 3. Policy to decide to dismiss or decline the re-appointment of an accounting auditor

The Audit & Supervisory Board will dismiss the accounting auditor if any inevitable event arises pursuant to the provisions of the laws and regulations, subject to unanimous approval of the Audit & Supervisory Board members. If an event arises which severely hinders the accounting auditor from continuing to perform its audit duties, the Audit & Supervisory Board shall decide the content of a proposal on dismissal or non-reappointment of the said accounting auditor, which will be submitted to the General Meeting of Shareholders.

## **VI. The system to secure proper business performance and its operation**

### **1. Overview of decisions regarding the system to secure proper business performance**

In accordance with the Companies Act of Japan and Ordinance for Enforcement of the Companies Act, the Company has in place the following system to ensure proper business operations by the Company and its subsidiaries:

(1) System to ensure the execution of duties by the Company's and its subsidiaries' members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation

The Company has in place the following compliance system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:

- (i) The Company has established "Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout the Nidec Group, and establish a compliance system and promote total awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
- (ii) The Company has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors Nidec Group's compliance status.
- (iii) The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all Nidec Group's officers and employees understand and act on them.
- (iv) As part of its compliance promotion activity, the Company holds compliance seminars for individual Nidec companies, along with initiatives such as the preparation and use of the compliance handbook, in an effort to raise their officers' and employees' awareness on compliance.
- (v) To spread compliance throughout Nidec Group, the Company has in place a Nidec Group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage Nidec Group's employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.
- (vi) To promote the aforementioned activity, the Company's Compliance Office works with Nidec Group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in individual Nidec companies, forming a global compliance system.
- (vii) To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Compliance Office or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee and the Board of Directors to decide on penalties.

(2) System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations," and the members of the Company's Audit & Supervisory Board may view those documents at any time.

(3) Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries

- (i) The Company established "Risk Management Regulations" to have in place a Nidec Group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee, supervised by the Company's Board of Directors, decides the Company's risk management policies each fiscal year, while the Company's individual department general managers and Nidec companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits Nidec companies on the design of their risk management systems.
- (ii) In addition to "Risk Management Regulations," which are intended to manage daily risks, the company adopts Nidec Group-wide "Crisis Management Regulations" to prepare for a situation

in which a risk is actualized and must be handled in reality.

- (4) System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors
- (i) As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors," the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
  - (ii) Nidec Group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the Company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. The Company regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.
  - (iii) The Company and Nidec companies have in place "Approval Request (*Ringi*) Regulations," which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
  - (iv) The Company and Nidec companies hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting with Senior Vice Presidents and Above (*Jomu-kai*) and the Executive Management Meeting (*Keiei-kaigi*).
- (5) Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries
- (i) The members of the Board of Directors and Vice Presidents of the Company serve as members of the Board of Directors and Vice Presidents of the Nidec Corporation's group companies as well, attend their Executive Management Meetings (*Keiei-kaigi*), hold a Nidec Group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within Nidec Group.
  - (ii) The administrative departments responsible for individual Nidec companies' business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.
- (6) Matters concerning the Company's employees and their independency from the members of Company's Board of Directors when the members of the Company's Audit & Supervisory Board request the Company to appoint employees to support the work of the members of the Company's Audit & Supervisory Board
- (i) In accordance with the Audit & Supervisory Board's requests, the Corporate Administration & Internal Audit Department audits matters that the members of Audit & Supervisory Board request to be audited, and reports the audit results to the Audit & Supervisory Board.
  - (ii) During such an audit, support is provided for performing the audit if ordered or requested by the members of Audit & Supervisory Board. The members of the Board of Directors or Vice Presidents of the Company pose no improper restrictions on such reports.

(7) System for the members of the Board of Directors and employees of the Company to report to the members of the Audit & Supervisory Board and other systems concerning reports to the members of the Audit & Supervisory Board

The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit & Supervisory Board, in addition to statutory matters, matters that materially affect the entire Nidec Group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between the members of the Board of Directors and Vice Presidents, and the Audit & Supervisory Board.

(8) System for a member of the Board of Directors or the Audit & Supervisory Board, an employee who executes any business operation, an employee of any of the Company's subsidiaries, or someone who has received a report from any of these people, to report to the members of the Company's Audit & Supervisory Board, and to protect whistleblowers

- (i) The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's members of the Audit & Supervisory Board on a regular basis, and reports the internal audit results at Nidec companies.
- (ii) The Company's Compliance Office reports the status of whistle blowing by Nidec Group's officers and employees to the members of the Company's Audit & Supervisory Board on a regular basis.
- (iii) Nidec Group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the Nidec Group-wide internal whistle blowing system, Nidec Global Compliance Hotline.

(9) Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by the members of the Company's Audit & Supervisory Board, for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by the members of the Company's Audit & Supervisory Board

In accordance with the Company's Audit & Supervisory Board Regulations and the standards for audit by the members of the Audit & Supervisory Board, the Company's Audit & Supervisory Board is entitled to independently deliberate matters, such as budget for auditing expenses, that the members of the Audit & Supervisory Board deem it necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.

(10) Other systems to ensure an effective audit by the members of the Audit & Supervisory Board

- (i) The members of the Audit & Supervisory Board exchange their opinions with the Company's executives.
- (ii) The members of the Audit & Supervisory Board prepare each month's activities in an audit report, and submit it to the Company's Board of Directors.
- (iii) The members of the Audit & Supervisory Board visit individual Nidec companies onsite to conduct audits on operations.

(11) Internal audit system of the Group

- (i) The Company has its head office departments provide the entire Nidec Group with internal control system-related instructions and support, and manage and audit Nidec companies to ensure legal, proper, and efficient business operations.
- (ii) The internal audit departments of the Company and its subsidiaries conduct internal audits on individual Nidec companies to provide them with instruction, support, and advice for better business operations.



## **2. Overview of the operation of the system to secure proper business performance**

The Company, based on the above system, has implemented the following specific actions:

### **(1) Compliance system**

As part of the Company's efforts to ensure regulatory compliance, the Compliance Office held compliance seminars for the purpose of raising awareness among the executives and employees of the Company and its consolidated subsidiaries on the importance of adhering to guidelines regarding compliance issues. Additionally, the Company's Representative Director and Chairman addressed himself to compliance issues and raised awareness at the meetings with the Company's consolidated subsidiaries.

Furthermore, the Company's Compliance Committee worked to secure a compliance system in the Company and other individual Nidec Group companies by monitoring their status of compliance.

### **(2) Risk management system**

The Company's Risk Management Office collected and assessed, in a consolidated and comprehensive manner, the risk assessment & survey sheets, risk management activity plans and the reports on the previous fiscal year's executed plans and risks materialized, which were submitted from the Company and other Nidec Group companies, and identified and addressed important risks to the Nidec Group in the Office's attempt for comprehensive risk management.

### **(3) Systems to secure efficient work execution**

The Company submitted for deliberation important work execution-related matters to the Executive Management Meeting with Senior Vice Presidents and Above (*Jomu-kai*) prior to submitting such matters to the Board of Directors, discussed and deliberated the appropriateness of the execution of the work, the possible presence of risks in the work etc., and thus aimed to improve the efficiency of business execution.

### **(4) System of auditing by the members of the Audit & Supervisory Board**

The members of the Company's Audit & Supervisory Board all attended the meetings of the Board of Directors, and monitored them to confirm that the Company's decisions were made after sufficient discussion. The members of the Company's Audit & Supervisory Board also shared information and exchanged their opinions with Corporate Administration & Internal Audit Department and the accounting auditor of the Company, while obtaining information from the Risk Management Meeting, etc. as necessary, and reported to the Board of Directors, as necessary, important issues and other matters obtained from such information.

Furthermore, the members of the Company's Audit & Supervisory Board invited the Company's accounting auditor to the meetings of the Audit & Supervisory Board a total of six times during this fiscal year, and closely exchanged their information with the accounting auditor.

### **(5) Internal audit system**

Based on its internal audit plan, the Company's Corporate Administration & Internal Audit Department conducted internal audit to the Company and other Nidec Group companies, and, as necessary, reported and explained to the Company's executives and at the Risk Management Meeting, etc. the issues and problems identified in relation to internal audit and other matters to ensure that all departments concerned will progress on those matters. The Corporate Administration & Internal Audit Department also held report meetings with the members of the Company's Audit & Supervisory Board as necessary, and reported the results of internal audits at individual Nidec Group companies.

## Consolidated Financial Statements for the Fiscal Year 2018

(April 1, 2018 – March 31, 2019)

### Consolidated Statement of Financial Position

(As of March 31, 2019)

(Yen in millions)

Title	Amount	Title	Amount
Assets		Liabilities	
Current assets	919,472	Current liabilities	529,994
Cash and cash equivalents	242,267	Short term borrowings	17,394
Trade and other receivables	371,134	Long term debt due within one year	95,339
Other financial assets	695	Trade and other payables	310,644
Income tax receivables	12,173	Other financial liabilities	2,148
Inventories	255,656	Income tax payables	13,434
Other current assets	37,547	Provisions	28,514
Non-current assets	955,596	Other current liabilities	62,521
Property, plant and equipment	517,479	Non-current liabilities	329,360
Goodwill	262,311	Long term debt	260,028
Intangible assets	126,504	Other financial liabilities	1,887
Investments accounted for using the equity method	2,785	Retirement benefit liabilities	28,886
Other investments	18,444	Provisions	4,602
Other financial assets	6,514	Deferred tax liabilities	31,751
Deferred tax assets	11,968	Other non-current liabilities	2,206
Other non-current assets	9,591	Total liabilities	859,354
		Common stock	87,784
		Additional paid-in capital	118,314
		Retained earnings	901,606
		Other components of equity	(64,780)
		Treasury stock	(45,296)
		Total equity attributable to owners of the parent	997,628
		Non-controlling interests	18,086
		Total equity	1,015,714
Total assets	1,875,068	Total liabilities and equity	1,875,068

## Consolidated Statement of Income

(For the year ended March 31, 2019)

(Yen in millions)

Title	Amount
Net sales	1,518,320
Cost of sales	(1,174,362)
Gross profit	343,958
Selling, general and administrative expenses	(142,426)
Research and development expenses	(62,912)
Operating profit	138,620
Financial income	10,563
Financial expenses	(8,874)
Derivative gain	352
Foreign exchange differences	(1,014)
Share of net loss from associate accounting using the equity method	(633)
Profit before income taxes	139,014
Income tax expenses	(27,509)
Profit for the year	111,505
Profit for the year attributable to:	
Owners of the parent	110,798
Non-controlling interests	707
Profit for the year	111,505

## Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2018	87,784	118,136	822,589	(76,857)	(19,151)	932,501	9,890	942,391
Changes in accounting policies			199			199		199
Balance after restatement	87,784	118,136	822,788	(76,857)	(19,151)	932,700	9,890	942,590
Comprehensive income								
Profit for the year			110,798			110,798	707	111,505
Other comprehensive income				8,476		8,476	(215)	8,261
Total comprehensive income						119,274	492	119,766
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(26,145)	(26,145)	-	(26,145)
Dividends paid to owners of the parent			(29,513)			(29,513)	-	(29,513)
Dividends paid to non-controlling interests						-	(93)	(93)
Share-based payment transactions		164				164	-	164
Transfer to retained earnings			(3,600)	3,600		-	-	-
Changes in equity by purchase of shares of consolidated subsidiaries						-	7,833	7,833
Other		14	1,133	1		1,148	(36)	1,112
As of March 31, 2019	87,784	118,314	901,606	(64,780)	(45,296)	997,628	18,086	1,015,714

## Financial Statements

### Non-consolidated Balance Sheet

(As of March 31, 2019)

(Yen in millions)

Title	Amount	Title	Amount
[Assets]		[Liabilities and equity]	
Current assets	194,401	Current liabilities	415,885
Cash and cash equivalents	58,809	Accounts payable	36,948
Notes receivable	23	Electronically recorded obligations-operating	1,756
Electronically recorded monetary claim	477	Short term borrowing	238,946
Trade receivable	58,041	Current portion of bonds	65,000
Finished products	5,533	Long term debt current portion due within one year	28,706
Work in progress	505	Other accounts payable	15,768
Raw materials and supplies and other	2,187	Accrued expenses	1,054
Prepaid expenses	1,298	Deposits received	25,133
Short term loans receivable from subsidiaries and affiliates	47,129	Unearned revenue	22
Long term loans receivable from subsidiaries and affiliates redeemable within one year	6,743	Provision for bonuses	2,220
Other accounts receivable	8,614	Other	332
Corporate tax receivable, etc.	4,953	Noncurrent liabilities	257,426
Other	463	Corporate bonds	172,368
Allowance for doubtful accounts	(374)	Long term debt	84,715
Noncurrent assets	788,777	Other	343
Property, plant and equipment	43,412	Total liabilities	673,311
Buildings	24,150	Shareholder's equity	307,109
Structures	580	Common stock	87,784
Machinery and equipment	1,312	Additional paid-in capital	147,930
Tools, furniture and fixtures	2,521	Capital reserve	92,005
Land	14,315	Other additional paid-in capital	55,925
Construction in progress	478	Retained earnings	116,691
Other	56	Legal reserve	721
Intangible assets	4,905	Other retained earnings	115,970
Patent right	22	General reserve	57,650
Software	2,292	Retained earnings brought forward	58,320
Software in progress	1,137	Treasury stock	(45,296)
Goodwill	1,321	Total valuation and translation adjustments	2,758
Other	133	Valuation difference on available-for-sale securities	3,089
Investments and other assets	740,460	Revaluation reserve for land	(331)
Investment securities	11,719		

(Yen in millions)

Title	Amount	Title	Amount
Stocks of subsidiaries and affiliates	634,351		
Investments in capital of subsidiaries and affiliates	34,006		
Long term loans receivable from subsidiaries and affiliates	54,563		
Claims provable in bankruptcy, claims provable in rehabilitation and other	445		
Long term prepaid expenses	541		
Prepaid pension expenses	961		
Other	4,190		
Deferred tax assets	184		
Allowance for doubtful accounts	(500)		
		Total net assets	309,867
Total assets	983,178	Total liabilities and net assets	983,178

## Non-Consolidated Statement of Income

(For the year ended March 31, 2019)

(Yen in millions)

Title	Amount	
Net sales		222,217
Cost of sales		171,610
Gross profit		50,607
Selling, general and administrative expenses		50,478
Operating profit		129
Non-operating income		
Interest income	5,926	
Dividend income	50,589	
Other	2,547	59,062
Non-operating expenses		
Interest expenses	7,472	
Corporate bond expenses	449	
Foreign exchange losses	1,098	
Other	959	9,978
Ordinary profit		49,213
Extraordinary income		
Gain on sales of noncurrent assets	1	1
Extraordinary losses		
Loss on disposal of noncurrent assets	8	
Loss on sales of shares of subsidiaries and affiliates	259	267
Income before income taxes and other		48,947
Income taxes - current	657	
Income taxes - deferred	(127)	530
Net income		48,417

## Non-Consolidated Statement of Shareholders' Equity

(For the year ended March 31, 2019)

(Yen in millions)

	Shareholders' equity							
	Capital stock	Additional paid-in capital		Legal reserve	Retained earnings		Treasury stock	Total shareholders' equity
		Capital reserve	Other additional paid-in capital		Other retained earnings			
					General reserve	Retained earnings carried forward		
Balance at the end of previous period	87,784	92,005	55,925	721	57,650	39,420	(19,151)	314,354
Total changes of items during the period								
Dividends from surplus						(29,517)		(29,517)
Net income						48,417		48,417
Purchase of treasury stock							(26,145)	(26,145)
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	-	18,900	(26,145)	(7,245)
Balance at the end of the period	87,784	92,005	55,925	721	57,650	58,320	(45,296)	307,109

	Valuation and translation adjustments		Total net assets
	Valuation difference on available for-sale securities	Revaluation reserve for land	
Balance at the end of previous period	4,833	(331)	318,857
Total changes of items during the period			
Dividends from surplus			(29,517)
Net income			48,417
Purchase of treasury stock			(26,145)
Net changes of items other than shareholders' equity	(1,744)		(1,744)
Total changes of items during the period	(1,744)	-	(8,989)
Balance at the end of the period	3,089	(331)	309,867



Audit Reports

Audit Report by Accounting Auditor regarding Consolidated Financial Statements

Audit Report from Independent Auditors

May 15, 2019

To The Board of Directors  
Nidec Corporation

PricewaterhouseCoopers Kyoto

Designated Partner

Engagement Partner    Minamoto Nakamura    C.P.A. Seal

Designated Partner

Engagement Partner    Tsuyoshi Yamamoto    C.P.A. Seal

We, PricewaterhouseCoopers Kyoto, audited Nidec Corporation's consolidated financial statements (i.e., consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, and consolidated notes on consolidated statements) for its consolidated fiscal year (April 1, 2018 – March 31, 2019) based on Article 444, Paragraph 4 of the Companies Act of Japan

Management's responsibility for consolidated financial statements

It is the management's responsibility to prepare and properly present consolidated financial statements in accordance with the latter part of Article 120, Paragraph 1 of Corporate Accounting Rules, which permits partial deletion of items to be disclosed based on the requirement of the designated international financial reporting standards. This task includes establishing and operating internal controls that the management determines to be necessary to prepare and properly present consolidated financial statements that are free of material misstatements due to fraud or error.

Accounting auditor's responsibility

It is PricewaterhouseCoopers Kyoto's responsibility to express its opinions on consolidated financial statements from an independent point of view based on the audit that it has performed. PricewaterhouseCoopers Kyoto has performed an audit based on an audit standard that is generally considered acceptable in Japan. The audit standard requires to prepare an audit plan and perform an audit based thereon in order to obtain reasonable guarantee on whether or not any material misstatement exists in consolidated financial statements.

During the course of the audit, a procedure is executed to obtain audit evidence of the amount of, and the disclosure of, consolidated financial statements. The audit procedure is selected and applied based on PricewaterhouseCoopers Kyoto's decision, on the basis of the risk assessment of presenting material misstatements in consolidated financial statements due to fraud or error. The purpose of the audit is not to represent any opinion on an internal control's effectiveness; however, the accounting auditor discusses internal controls related to preparing consolidated financial statements and proper presentation thereof in order to propose a proper audit procedure based on the circumstances. In addition, an audit includes discussion on presenting consolidated financial statements as a whole, including the assessment of the accounting policy and adopting method of the accounting policy introduced by the management as well as of the estimate performed by the management.

It is PricewaterhouseCoopers Kyoto's belief that it has obtained sufficient and proper audit evidence based on which it can express its opinions.

#### Opinion on the audit

PricewaterhouseCoopers Kyoto acknowledges that the aforementioned consolidated financial statements, made with partial omission of the items to be disclosed based on the designated international financial reporting standards in accordance with the latter part of Article 120, Paragraph 1 of Corporate Accounting Rules, which properly describes, in all important points, the assets, profit, and income of such consolidated financial statements of the corporate group consisting of Nidec Corporation and its consolidated subsidiaries.

#### Emphasis of matter

As stated in VII. Notes to events after reporting period, 1. under the Notes to the consolidated financial statements, Nidec Corporation agreed to acquire shares of OMRON Automotive Electronics Co. Ltd., shares, etc. of overseas subsidiaries and the overseas business to be acquired. For this purpose, Nidec Corporation entered into transfer agreements regarding the share acquisition, etc. with OMRON Corporation on April 16, 2019.

These events do not affect our audit opinion.

#### Conflict of interest

No conflict of interest exists between the company and us, PricewaterhouseCoopers Kyoto, that is required by the Certified Public Accountant Law to be described.

Audit Report from Independent Auditors

May 15, 2019

To The Board of Directors  
Nidec Corporation

PricewaterhouseCoopers Kyoto

Designated Partner

Engagement Partner    Minamoto Nakamura    C.P.A. Seal

Designated Partner

Engagement Partner    Tsuyoshi Yamamoto    C.P.A. Seal

We, PricewaterhouseCoopers Kyoto, audited Nidec Corporation's financial statements (i.e., consolidated balance sheet, profit and loss statement, statements on shareholders' equity, and notes on statements) for its 46th fiscal year (April 1, 2018 – March 31, 2019) based on Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

Management's responsibility for financial statements

It is the management's responsibility to prepare and properly present financial statements and their schedules in accordance with generally accepted accounting standards in Japan. This task includes establishing and operating internal controls that the management determines to be necessary to prepare and properly present financial statements and their schedules that are free of material misstatements due to fraud or error.

Accounting auditor's responsibility

It is PricewaterhouseCoopers Kyoto's responsibility to express its opinions on financial statements and their schedules from an independent point of view based on the audit that it has performed. PricewaterhouseCoopers Kyoto has performed an audit based on an audit standard that is generally considered acceptable in Japan. The audit standard requires to prepare an audit plan and perform an audit based thereon in order to obtain reasonable guarantee on whether or not any material misstatement exists in financial statements and their schedules.

During the course of the audit, a procedure is executed to obtain audit evidence of the amount of, and the disclosure of, financial statements and their schedules. The audit procedure is selected and applied based on PricewaterhouseCoopers Kyoto's decision, on the basis of the risk assessment of presenting material misstatements in financial statements and their schedules due to fraud or error. The purpose of the audit is not to represent any opinion on an internal control's effectiveness; however, the accounting auditor discusses internal controls related to preparing financial statements and their schedules and proper presentation thereof in order to propose a proper audit procedure based on the circumstances. In addition, an audit includes discussion on presenting financial statements and their schedules as a whole, including the assessment of the accounting policy and adopting method of the accounting policy introduced by the management as well as of the estimate performed by the management.

It is PricewaterhouseCoopers Kyoto's belief that it has obtained sufficient and proper audit evidence based on which it can express its opinions.

## Opinion on the audit

PricewaterhouseCoopers Kyoto acknowledges that the aforementioned financial statements and their schedules comply with the corporate accounting standards that are generally accepted in Japan, and properly describes, in all important points, the assets, profit, and loss of the period of such financial statements and their schedules.

## Emphasis of matter

As stated in IX. Notes to events after reporting period, 1. under the Notes to the financial statements, Nidec Corporation agreed to acquire shares of OMRON Automotive Electronics Co. Ltd., shares, etc. of overseas subsidiaries and the overseas business to be acquired. For this purpose, Nidec Corporation entered into transfer agreements regarding the share acquisition, etc. with OMRON Corporation on April 16, 2019.

These events do not affect our audit opinion.

## Conflict of interest

No conflict of interest exists between the company and us, PricewaterhouseCoopers Kyoto, that is required by the Certified Public Accountant Law to be described.

## **Audit Report**

The Audit & Supervisory Board deliberated and prepared this audit report on the execution of the duties of the members to the Board of Directors for the 46th fiscal year (April 1, 2018 to March 31, 2019) based on the audit reports prepared by each Auditor, and reports as follows:

1. Auditing method of and audits by Auditors and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies and an audit plan for the fiscal year, received reports from Audit & Supervisory Board members on the status and the result of audits and reports from the members to the Board of Directors, Important Employees, etc., and the Accounting Auditor on the execution of their duties, and requested an explanation as necessary.
- (2) Each Audit & Supervisory Board member, in compliance with the auditor's audit standard and audit policies and plan, communicated with members to the Board of Directors and employees, etc. of internal auditing and other departments, gathered information, tried to establish appropriate environments, and conducted audit based on the following methods:
  - (i) Each Audit & Supervisory Board member also attended Meetings of the Board of Directors and other important meetings, received reports from members to the Board of Directors, employees, and others on the execution of their duties, requested an explanation as necessary, viewed important approval requests and other documents, and investigated the statuses of work and assets at the Company's head office and its main offices, while communicating and exchanging information with the members of the Board of Directors and of Audit & Advisory Board, etc. of the Company's subsidiaries, and receiving business reports from those subsidiaries as necessary.
  - (ii) In addition, each Audit & Supervisory Board member regularly received a report from members to the Board of Directors, important employees, etc., requested an explanation as necessary, and expressed opinions on, the status of the establishment and the operation of the system (the internal control system) established based on the contents of a resolution from a meeting of the Board of Directors and the resolution itself concerning the creation of a system stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Companies Act as something necessary to ensure the proper execution of a business group comprising a corporation and its subsidiaries.
  - (iii) Each Audit & Supervisory Board member also supervised and inspected if the Accounting Auditors maintain their independence and perform audits properly, received reports from the Accounting Auditors on the execution of their duties, and requested an explanation as necessary. In addition, each Audit & Supervisory Board member received the notice from the Accounting Auditors that "A system that ensures proper execution of duties" (stipulated in each section of Article 131 of the Corporate Calculation Regulations) is in place based on "the quality control standard on audit" (based on the Business Accounting Council's decision on October 28, 2005) and other standards, and requested an explanation as necessary.

Then each Audit & Supervisory Board member deliberated the business reports and their annexed detailed statements, the financial statements (the balance sheet, the profit and loss statement, the statements on shareholders' equity, and the notes on the statements), and their annexed detailed statements as well as the consolidated financial statements (the consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, and consolidated notes on consolidated statements) for the fiscal year based on the aforementioned methods.

## 2. Audit result

### (1) Business report and other documents

- (i) The Audit & Supervisory Board certifies that the business report and its annexed detailed statements are in accordance with laws, regulations, and the Articles of Incorporation, and that these documents exhibit the Company's business condition properly.
- (ii) The Audit & Supervisory Board identified no material facts on either improper act concerning the execution of the duties of the members to the Board of Directors, or violation of any laws, regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board certifies that the resolutions from the meeting of the Board of Directors concerning an internal control system are appropriate. Also, the Audit & Supervisory Board has no issues to point out on the content of the business report and the execution of the duties of the members to the Board of Directors concerning the said internal control system.

### (2) Financial statement and annexed detailed statements

The Audit & Supervisory Board certifies that the auditing method and the audit result of the Company's Accounting Auditor, PricewaterhouseCoopers Kyoto, are appropriate.

### (3) Consolidated financial statements

The Audit & Supervisory Board certifies that the auditing method and the audit result of the Company's Accounting Auditor, PricewaterhouseCoopers Kyoto, are appropriate.

May 16, 2019

The Audit & Supervisory Board, Nidec Corporation

Ryuichi Tanabe	Fulltime outside member of the Audit & Supervisory Board	Seal
Kazuya Murakami	Fulltime member of the Audit & Supervisory Board	Seal
Hiroyuki Ochiai	Fulltime member of the Audit & Supervisory Board	Seal
Eisuke Nagatomo	Outside member of the Audit & Supervisory Board	Seal
Junko Watanabe	Outside member of the Audit & Supervisory Board	Seal

## The CSR that Nidec Aims to Achieve

### What Shapes Our CSR\*

Since its foundation in 1973, Nidec has been engaged in business with the following mission statement as the basis of its business management: “Contribute to the development of society and the welfare of the general public around the world by supplying the highest quality products with our sincere and enthusiastic dedication to the trinity of technology, expertise, and modern science,” and “Promote the prosperity of our society, our company, and all of our employees.”

In 2008, we established three basic management creeds and the CSR Charter. The basic management creed states three principles: “Employment stability based on sustainable business growth,” “Available supply of the highest quality, indispensable, and widely desired products for the common good of all,” and “Pursuit of the top leader position in each of the company's chosen paths.”

We will implement the following three actions according to the spirits of the mission statement and the three basic management creeds: 1) social contribution through business activities, 2) sincere business management, and 3) social contribution through non-business activities.

Through these actions, we hope to contribute to creating a society where people can live comfortably even 100 years from now, and to stay competitive as a socially desirable business even at that time.

※ Corporate Social Responsibility

### Achieving the SDGs

The “Transforming Our World: 2030 Agenda for Sustainable Development” adopted by the United Nations General Assembly in September 2015 sets out 17 goals (Sustainable Development Goals: SDGs) as important guidelines for the international community to eliminate poverty and realize a sustainable society.

The Nidec Group supports the United Nations’ initiative to create a sustainable society. We are also part of the United Nations Global Compact, which sets forth 10 principles related to issues including human rights, labor, the environment, and anti-corruption, and have committed ourselves to contributing to realizing the SDGs.



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External Evaluation As of May 16, 2019

○ Inclusion in ESG\* indexes

FTSE4Good Index Series  
FTSE Blossom Japan Index



FTSE4Good



FTSE Blossom  
Japan

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MSCI Japan Empowering Women (WIN)



2018 Constituent  
MSCI日本株  
女性活躍指数 (WIN)

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Gender Equality Index (GEI)



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Nadeshiko Brand



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※ Environment, Social, Governance

For all updates, please visit:  
<https://www.nidec.com/en-Global/sustainability/principle/>

