

Securities Code: 6594
June, 02, 2014

To: All Shareholders of Nidec Corporation



Shigenobu Nagamori
Chairman of the Board, President & CEO
Nidec Corporation
338 Tonoshiro-cho, Kuze, Minami-ku, Kyoto 601-8205, Japan

The 41st Regular General Meeting of Shareholders for the Fiscal Year 2013

Thank you very much for your continuous support for Nidec Corporation ("the Company").

Please be informed that the Company's 41st Regular General Meeting of Shareholders (the "Meeting") will be held in accordance with the following schedule;

1. Time & Date: 10:00 a.m. on Wednesday, June 18, 2014 (Japan time)
2. Place: 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
3. Agenda:
Reports:
 1. The business report and consolidated financial statements, and audit results regarding the consolidated financial statements by the Accounting Auditors and the members of Audit and Supervisory Board for the fiscal year ended March 31, 2014
 2. The financial statements for the fiscal year ended March 31, 2014

Proposals:

1. Partial amendment of the Articles of Incorporation
2. Appointment of 12 candidates to the Board of Directors
3. Appointment of one candidate to the Audit & Supervisory Board
4. Appointment of two alternative candidates to the Audit & Supervisory Board

Even if you are unable to attend the Meeting, you can exercise your voting rights in writing, via the Internet, or by alternative means. Therefore, please read the reference documents for the Meeting, and, following the instructions described hereinafter on this page, exercise your voting rights by 05:30 p.m. on Tuesday, June 17, 2014.

4. Exercising voting rights

(1) Voting via mail

Please indicate your approval or disapproval for each item listed on the enclosed Voting Instruction Card and return it to us by 05:30 p.m. on Tuesday, June 17, 2014 (Japan time).

(2) Voting via the Internet, etc.

Please read the "Procedure to Exercise Voting Rights via the Internet, etc." or "Platform to Exercise Voting Rights Electronically" on page 78, and exercise your voting rights by 05:30 p.m. on Tuesday, June 17, 2014 (Japan time).

Notes:

1. If you are attending the Meeting, please present the enclosed Voting Instruction Card at the reception desk on your arrival at the Meeting.
2. Any changes to the reference documents for the Regular General Meeting of Shareholders, business reports and consolidated financial statements made prior to the Meeting will be announced on our website (<http://www.nidec.com/en-Global/ir/calendar/meeting/>).

(Document submitted to the 41st Regular General Meeting of Shareholders)

Operating and Financial Review and Prospects

(Fiscal Year Ended March 31, 2014)

I. Current circumstance of the Nidec Group

1. Financial results

(1) Overview of Business Environment in Fiscal Year ended March 31, 2014

The global economic conditions during the fiscal year under review continued to be weak as the extended economic stagnation in Europe despite the improvements with respect to the debt crisis persisted and as China and other newly emerging countries experienced declining exports and suffered the negative impact of excessive investments made in prior periods. On the other hand, the U.S. monetary policy slowly changed towards easing its previous quantitative easing policy. The Japanese economy, which experienced a period-end increase in demand prior to the consumption tax increase, also showed stable trends as a whole.

In this business environment, in an effort to expand our “second growth phase” strategy, we continued to transform and expand our business portfolio, and our consolidated net sales for this fiscal year marked the highest on record. In terms of profit margins, as a result of the increase in net sales and the measures that we implemented to streamline our business structure in the previous fiscal year, operating income exceeded our forecast previously announced at the beginning of the fiscal year for four quarters in a row. In particular, operating income of the automotive, appliance, commercial and industrial product category, which is one of our strategically important product categories contributed to significant enhancement of our profit structure.

As a result, consolidated net sales increased 23.4% to ¥875,109 million for the fiscal year under review compared to the previous fiscal year, recording the largest annual net sales in our history. Operating income increased 4.8 times to ¥85,068 million for the fiscal year compared to the previous fiscal year, which was mainly due to a positive effect of business streamlining and the sales increase. Income before income taxes increased 6.3 times to ¥84,664 million for the fiscal year compared to the previous fiscal year, and net income attributable to Nidec Corporation increased seven times to ¥56,404 million for the fiscal year compared to the previous fiscal year, recording the largest annual income before income taxes and net income attributable to Nidec Corporation in our history.

(2) Operating Results by Product Category for the Fiscal Year Compared to the Previous Fiscal Year

Net sales of small precision motors increased 13.4% to ¥362,513 million for the fiscal year under review compared to the previous fiscal year. The depreciation of the Japanese yen against the U.S. dollar had a positive effect on our net sales of small precision motors of approximately ¥54,000 million for the fiscal year compared to the previous fiscal year. Net sales of spindle motors for hard disk drives, or HDDs, for the fiscal year increased 12.1% to ¥185,506 million, compared to the previous fiscal year, although the unit shipments of the spindle motors for HDDs decreased approximately 3% compared to the previous fiscal year. Net sales of other small precision motors for the fiscal year increased 14.7% to ¥177,007 million, compared to the previous fiscal year. This increase was mainly due to increases in sales of brushless DC fans, brushless DC motors and other small motors.

Net sales of automotive, appliance, commercial and industrial products increased 38.9% to ¥345,236 million for the fiscal year under review compared to the previous fiscal year. Net sales of appliance, commercial and industrial products for the fiscal year increased 42.2% compared to the previous fiscal year. This increase was primarily due to larger sales of motors for air conditioning equipment, and the contribution of sales of Nidec ASI S.p.A., Nidec Avtron Automation Corporation and Nidec Kinetek Corporation, which were not consolidated for the full fiscal year 2013, as well as the positive effect of the foreign currency exchange rate fluctuations. Net sales of automotive products for the fiscal year increased 32.9% compared to the previous fiscal year. This was primarily due to the contribution of Nidec Sankyo CMI Corporation which was newly consolidated during the fiscal quarter ended March 31, 2014 and the commencement of mass-production of new product models of motors for electric power steering and other products and the commencement of mass-production of new product models for new customers, as well as the positive effect of the foreign currency exchange rate fluctuations. The depreciation of the Japanese yen against the U.S. dollar and the Euro had a positive effect on net sales of automotive, appliance, commercial and industrial products of approximately ¥48,900 million for the fiscal year compared to the previous fiscal year.

Net sales of machinery increased 36.9% to ¥86,955 million for this fiscal year compared to the previous fiscal year mainly due to increases in sales of LCD panel handling robots and card readers.

Net sales of electronic and optical components increased 5.3% to ¥72,845 million for the fiscal year compared to the previous fiscal year. This increase was primarily attributable to increases in sales of household equipment and other products.

Net sales of other products decreased 9.7% to ¥7,560 million.

2. Financing and capital investment

(1) Financing

During the fiscal year 2013, to apply as a fund to repay short-term loans payable, the “fourth series of domestic unsecured bonds” (total of ¥50,000 million) was issued in December 2013. In addition, ¥30,000 million was raised from financial institutions as a long-term loan payable. The total amount of the loans payable and corporate bonds as of the end of the consolidated fiscal year 2013 is ¥346,395 million.

(2) Investment

The capital investment during the consolidated fiscal year 2013 totaled ¥40,297 million, which mainly comprises investments to enhance the Nidec Group’s domestic research and development capabilities, such as the building of Nidec Research and Development Centers (Nidec Corporation) and a commercial motor research and development facility (Nidec Techno Motor Corporation).

Other investments mainly include those for enhancing the Nidec Group’s production capabilities, new product development facilities, and energy-saving operation-streamlining measures.

3. Assets, profits and losses for the past three fiscal years
(1) Assets, profits and losses of the Nidec Group

Category (Yen in millions except for per share amounts)	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	675,988	682,320	709,270	875,109
Operating income	92,869	73,070	17,598	85,068
Net income attributable to Nidec Corporation	52,333	40,731	7,986	56,404
Net income attributable to Nidec Corporation per share	187.96	148.12	29.64	207.31
Total assets	748,205	800,401	1,005,417	1,165,918
Nidec Corporation shareholders' equity	355,250	370,182	415,653	518,101
Nidec Corporation shareholders' equity per share	1,282.66	1,352.66	1,543.10	1,878.50

Notes:

1. Figures are rounded off to the nearest one million.
2. Nidec prepares its consolidated financial statements in accordance with U.S. GAAP, and its scope of consolidation is determined in accordance with U.S. GAAP.
3. Sales figures are exclusive of consumption tax and others.
4. The "net income attributable to Nidec Corporation per share" and the "Nidec Corporation shareholders' equity per share" are calculated based on the total average number of shares issued and outstanding (excluding treasury stocks) and the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the end of the fiscal year 2013 respectively.
5. Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the per-share information was calculated assuming that the split took place at the beginning of the fiscal year ended March 31, 2011.
6. In accordance with the US GAAP, part of the consolidated financial information of the past fiscal years concerning discontinued businesses is reclassified and presented.
7. Based on the US GAAP, Nidec Corporation applied the provisions of the FASB Accounting Standards Codification (ASC) 805, "Business Combinations." Of the assets and debts we succeeded upon purchasing of companies during the fiscal year 2012, the valuation of the fair value of SCD Co., Ltd. and Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd. was completed in the fiscal year 2013. Accordingly, the consolidated financial information for the prior fiscal years was adjusted retrospectively.

(2) Assets, profits and losses of Nidec Corporation

Category (Yen in millions except for per share amounts)	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net Sales	146,740	146,965	132,030	165,953
Recurring income (loss)	22,318	15,899	(3,337)	6,139
Net income (loss)	21,983	29,358	(12,443)	5,189
Net income (loss) per share - basic	78.95	106.76	(46.14)	19.07
Total assets	447,220	488,939	565,451	628,338
Net assets	242,305	248,897	210,719	230,767
Net assets per share	874.86	909.48	780.91	836.70

Notes:

1. Figures are rounded off to the nearest one million.
2. Sales figures are exclusive of consumption tax and others.
3. The “net income (loss) per share” and the “Net assets per share ” are calculated based on the total average number of shares issued and outstanding and the total number of shares issued and outstanding as of the end of the fiscal year 2013, respectively..
4. Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the per-share information was calculated assuming that the split took place at the beginning of the fiscal year under review.

4. Issues

Based on the recent global economic trends that we have identified, we expect that the overall recovery may require more time as the economies in China and other newly emerging countries continue to be sluggish and disparities are seen in demand trends among industry sectors although the economies of advanced countries are expected to recover with the United States being one of the main contributors of such recovery.

Under such circumstances, the Nidec Group seeks to uphold the following three management goals and principles:

- (1) Provide employment opportunities based on healthy business growth,
- (2) Supply universally desired, indispensable products for the common good, and
- (3) Pursue the No. 1 position in all that we undertake

Specifically, we have launched a new medium-term strategic target, pursuant to which we aim to achieve a target sales level of ¥1.2 trillion in the fiscal year ending March 31, 2016. To achieve the targets set forth in our medium-term strategic target, we plan to shift as promptly as possible from our current business portfolio to an improved and expanded business portfolio consisting of four core business lines—“small precision motors,” “appliance, commercial and industrial motor products,” “automotive products” and “other products.” As part of this plan, during the fiscal year ended March 31, 2013, we launched a business enhancement system through which we aim to promote a market-oriented approach for each area of operation particularly in terms of formulating new strategic ideas and operational implementation. During the fiscal year ended March 31, 2014, we established a Nidec Research and Development Center, Japan, and global business promotion division. In addition, during the fiscal year ending March 31, 2015, with the establishment of a global purchasing management division, we intend to endeavor to become a company that will continue to grow 100 years from now by seeking to achieve synergies among the Nidec group companies in the global market and accelerate growth through the enhancement and expansion of our business portfolio.

We previously maintained a “federate-style” management system, under which each group company we acquired maintains a high degree of independence in managing its business operations. Going forward, we aim to adapt to the rapidly changing business environments and the intensifying global competition by making efforts to accelerate the Nidec group’s companies’ horizontal cooperation in terms of personnel, sales and marketing, manufacturing, and research and developments, and structure the cross-business and cross-regional management system by strengthen the collaboration among divisions with common operations, including legal, tax and intellectual property, through modifications to our previously maintained management system designed to enhance the uniformity among our group companies.

To establish a management system to support the global management, we have a total of five independent Outside Audit & Supervisory Board Members and Directors, who have contributed to vigorous discussions in meetings of our Board of Directors. We aim to further enhance our corporate governance system through these measures which are designed to enable our board of directors to better perform and fulfill its obligations and other efforts.

Corporate Administration & Internal Audit Department, which supervises the entire Nidec Group’s internal control, has established a global audit system to enhance our anti-fraud audit system in line with the purpose of strengthening our global business management system, and is further enhancing our internal control system based on the knowhow and experience from its

work to comply with the US Sarbanes-Oxley Act. Accordingly, we will improve the way we disclose our information based on collaboration between our information disclosure committee and individual professional departments and offices.

Such specialized departments and offices, including the Compliance Office, the Risk Management Office, and the CSR (corporate social responsibility) Promotion Office, also collaborate with one another and other departments as appropriate. We seek to find ways to ensure stable employment and contribute to society as a good corporate citizen.

5. Main businesses of the Nidec Group (as of March 31, 2014)

The Nidec Group mainly manufactures and sells spindle motors for hard disk drives and other small precision motors that are used for PCs' peripheral devices, OA (office automation) equipment/devices, and home appliances, etc., while producing and selling general motors for home appliances, commercial, industrial motors and automotive components, mechanical equipment and electronic and optical components, as well as providing logistic and other services relating to various businesses.

Business	Description
Small precision motors	Hard disk drives spindle motors and other small precision motors for optical disk drives, laser printers, copiers, polygon scanners, electronic cooling fans, refrigerators, mobile phones, DVD recorders, automobiles, and other applications
Automotive, appliance, commercial and industrial products	Automotive motors and electronic controls (for power steering systems, dual-clutch transmission systems, engine and fuel cell cooling systems, seat adjusters, window lifts, door lock actuators, vehicle traction systems, collision avoidance / mitigation systems and other products), home appliances motors (for air conditioning systems, air purification systems, washing machines, refrigerators, dish washers and other products), and industrial motors and systems solutions
Machinery	Transfer robots (for liquid-crystal-display panels, semiconductor wafers, and other products), card readers, high-speed pressing machines, food packaging machines and power transmission system
Electronic and optical components	Shutters and lens units (for digital still cameras and mobile phones), switches, trimmer potentiometers, precision plastic moldings and plastic metal casings
Others	Logistics services and music box products

6. Major business sites and plants, and employees (as of March 31, 2014)

(1) Major business sites and plants

Head office	Minami-ku, Kyoto-shi
Sales offices and product development sites	Kyoto, Tokyo, Shiga, Nagano, and Kawasaki
Other sites	Nidec Electronics (Thailand) Co., Ltd. Nidec (Zhejiang) Corporation (China) Nidec (Dalian) Limited (China) Nidec Singapore Pte. Ltd. Nidec (H.K.) Co., Ltd. Nidec Philippines Corporation Nidec Sankyo Corporation (Nagano) Nidec Copal Corporation (Tokyo) Nidec Tosok Corporation (Kanagawa) Nidec Copal Electronics Corporation (Tokyo) Nidec Techno Motor Corporation (Kyoto) Nidec Motor Corporation (USA) Nidec Motors & Actuators Nidec-Read Corporation (Kyoto)

(2) Employees of the Nidec Group

(i) The Nidec Group

Category	# of Employees	Increase (decrease) from the end of previous fiscal year
Total	100,394	(4,103)

Note: In addition to the above employees, 29,176 people are working as temporary staff.

(ii) Nidec Corporation

Category	# of Employees	Increase (decrease) from the end of previous fiscal year	Average age	Average years of employment
Total	1,768	19	38.10	10.29

Note: In addition to the above employees, 198 people are working as temporary staff.

7. Important parent companies and subsidiaries
(1) Important subsidiaries (as of March 31, 2014)

Subsidiaries	Capital or investment	Ratio of voting rights	Major business
Nidec Electronics (Thailand) Co., Ltd.	THB8,049,242,000	99.9%	Manufacturing and sales of small precision motors
Nidec (Zhejiang) Corporation	US\$56,000,000	100.0%	Manufacturing and sales of small precision motors
Nidec (Dalian) Limited	US\$36,500,000	100.0%	Manufacturing and sales of small precision motors
Nidec Singapore Pte. Ltd.	US\$4,656,000	100.0%	Sales of small precision motors
Nidec (H.K.) Co., Ltd.	HK\$2,352,000	100.0%	Sales of small precision motors
Nidec Philippines Corporation	US\$39,207,000	99.9%	Manufacturing and sales of small precision motors
Nidec Sankyo Corporation	JPY35,270 million	100.0%	Manufacturing and sales of small precision motors, machinery and equipment, and electronic and optical components
Nidec Copal Corporation	JPY11,080 million	100.0%	Manufacturing and sales of small precision motors, machinery and equipment, and electronic and optical components
Nidec Tosok Corporation	JPY5,087 million	100.0%	Manufacturing and sales of automotive components
Nidec Copal Electronics Corporation	JPY2,362 million	65.4%	Manufacturing and sales of electronic components
Nidec Techno Motor Holdings Corporation	JPY2,500 million	100.0%	Manufacturing and sales of commercial and industrial products
Nidec Motor Corporation	US\$578,879,000	100.0% (100.0%)	Manufacturing and sales of home appliance, commercial, and industrial products
Nidec Motors & Actuators (Germany)	EUR25,000	100.0%	Manufacturing and sales of automotive motors
Nidec-Read Corporation	JPY938 million	65.5% ^{*3}	Manufacturing and sales of machinery and equipment

Notes:

- Figures are rounded off to the minimum unit in the capitals.
- 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.
- Nidec-Read Corporation’s ratio of voting rights includes the 1,030,000 shares (ratio of voting rights:7.3%) of Nidec Corporation, which provided the shares to Sumitomo Trust & Banking Co., Ltd. as an employee retirement benefit trust.

(2) Business combinations

- (i) Nidec Corporation purchased all shares of Honda Elesys Co., Ltd. (“Honda Elesys”) from its shareholders, Honda Motor Co., Ltd., NEC Corporation, Showa Corporation and Nissin Kogyo Co., Ltd. on March 31, 2014 to make Honda Elesys its subsidiary.
- (ii) Nidec Corporation purchased 122,000 shares of Nidec Seimitsu Corporation (“Nidec Seimitsu”) via stock exchange on September 01, 2013, and made Nidec Seimitsu its wholly owned subsidiary.
- (iii) Nidec Corporation purchased 19,904,000 shares of Nidec Copal Corporation (“Nidec Copal”) via stock exchange on October 01, 2013, and made Nidec Copal its wholly owned subsidiary.
- (iv) Nidec Corporation purchased 10,580,000 shares of Nidec Tosok Corporation (“Nidec Tosok”) via stock exchange on October 01, 2013, and made Nidec Tosok its wholly owned subsidiary.

8. Major financial lenders and amounts borrowed (as of March 31, 2014)

Lenders	Amount borrowed (yen in millions)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	35,677
The Bank of Kyoto, Ltd.	20,029

9. Policy on decisions regarding the dividend of surplus, etc.

We uphold shareholder-oriented management and pursue high growth, high profitability and high share value to build long-term, sustainable growth in shareholder value. Placing importance on regular dividend payments, we seek to increase our dividend payout to around 30% of our consolidated net income.

Also, we will utilize our internal reserve to further enhance the Company's management capabilities and to expedite business expansion to achieve better profitability.

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, 2014)

1. Total number of shares issuable: 480,000,000
2. Total number of shares issued: 145,075,080
3. Total number of shareholders: 34,744
4. Ten major shareholders (excluding treasury stocks):

Shareholders	Shares owned (in thousands)	Shareholding ratio (%)
Shigenobu Nagamori	12,635	9.16
State Street Bank and Trust Company	9,046	6.55
The Master Trust Bank of Japan, Ltd. (Trust account)	7,376	5.34
Japan Trustee Services Bank, Ltd. (Trust account)	7,249	5.25
The Bank of Kyoto, Ltd.	6,171	4.47
S.N. Kosan, Ltd.	5,535	4.01
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,684	2.67
The Dai-ichi Mutual Life Insurance Company	3,541	2.56
Nippon Life Insurance Company	3,408	2.47
Meiji Yasuda Life Insurance Company	3,201	2.32

Notes:

1. The number of shares indicates the amount prior to two-for-one stock split as of April 01, 2014.
2. The numbers of shares owned are rounded off to the nearest 1,000.
3. The shareholding ratio was calculated excluding own shares (7,171,976 shares).
5. Other important issue concerning Nidec Corporation's stocks
Pursuant to the resolution of the meeting of its Board of Directors on March 08, 2014, Nidec Corporation split its stocks on a two-for-one basis as of April 01, 2014. Accordingly, the total number of authorized shares is 960,000,000, and the total number of issued shares is 290,150,160, respectively as of April 01, 2014.

III. Matters concerning the Company's share warrant, etc.

1. Share warrant issued as consideration of the execution of the duties held by Officers concerned:
N/A.
2. Share warrant issued to employees, etc. as consideration of the execution of duties during the fiscal year:
N/A.
3. Other important matters concerning the issuance of share warrant, etc. (as of March 31, 2014):
Share warrant attached to the Euro Yen Convertible-Bonds-Type Bonds with Stock Acquisition Rights Due 2015 issued based on the resolution of the meeting by the Company's Board of Directors on September 02, 2010:

Number of share warrants	Total number of units after dividing by 5 million yen the total value of the corporate bond concerning 19,150 units and the euro yen convertible-bonds-type bonds with stock acquisition rights due 2015:
Stock type for the share warrants	Common stock
Number of shares for share warrants	9,010,916
Amount paid upon exercising the share warrants	¥10,626
Exercise period of the new warrants	From October 05, 2010 to September 04, 2015

Notes:

1. The above information is as of the end of the fiscal year under review, prior to the two-for-one stock split as of April 01, 2014.
2. Pursuant to the stock split as of April 01, 2014, upon the exercise of stock acquisition rights, the conversion price per share is ¥5,313 and the number of convertible shares is 18,021,833.

IV. Matters concerning Directors of the Company

1. Members to the Board of Directors and the Audit & Supervisory Board (as of March 31, 2014)

Position	Name	Job description or representative status at other corporations, etc.
Chairman of the Board, President & CEO	Shigenobu Nagamori	Chief Executive Officer Member of the Board of Directors and Chairman, Nidec Sankyo Corporation, Nidec Copal Electronics Corporation, Nidec-Shimpo Corporation, and Nidec-Read Corporation
Representative Director, Executive Vice President & COO	Hiroshi Kobe	Chief Operating Officer Representative Director of the Board of Directors and Chairman, Nidec Logistics Corporation and Nidec Global Service Corporation
Member of the Board of Directors & Executive Vice President	Kenji Sawamura	Adviser to President In charge of Corporate Strategy Office Representative Director of the Board of Directors and Chairman, Nidec Servo Corporation
Member of the Board of Directors & Executive Vice President	Bunsei Kure	Advisor to Mr. Nagamori for Global Business Promotion Division, Global Purchasing Management Division, Automotive Motor & Electronic Control (AMEC) Business Unit, and Appliance, Commercial & Industrial Motor (ACIM) Business Unit Executive General Manager, ACIM Business Unit Supervising Production Engineering Center Representative Member of the Board and Chairman, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec Elesys Corporation, and Nidec Motor Holdings Corporation Member of the Board of Directors and Chairman, Nidec ASI S.p.A., Nidec US Holdings Corporation, and Nidec Motor Corporation

Member of the Board of Directors & Executive Vice President	Akira Sato	Supervising Compliance Office, CFO Strategy Office, Public Relations, Advertising & Investor Relations Dept., Affiliates Administration Dept., Legal Dept., Accounting Dept., Global Tax Planning Dept., and Finance Dept. In charge of Corporate Administration & Internal Audit Dept. and CSR Promotion Office
Member of the Board of Directors & First Senior Vice President	Tadaaki Hamada	Supervising HR Dept. and Nidec Research & Development Center In charge of Corporate Planning Dept., Intellectual Property Dept., International Business Administration Dept., and Technological Strategy Office
Member of the Board of Directors & First Senior Vice President	Toshihiro Kimura	Member of the Board of Directors and Chairman, Nidec Copal Corporation
Member of the Board of Directors & First Senior Vice President	Masuo Yoshimatsu	Chief Financial Officer (CFO) In charge of CFO Strategy Office, Public Relations and Advertising & IR Dept., Accounting Dept., Global Taxation Planning Dept., and Finance Dept. GM, CFO Strategy Office Representative Member of the Board of Directors and Chairman, Nidec Management Shanghai Corporation
Member of the Board of Directors & First Senior Vice President	Kazuya Hayafune	Supervising Automotive Motor & Electronic Control (AMEC) Business Unit and General Application Motor & Solutions (GAMS) Business Unit Executive General Manager, AMEC Business Unit In charge of Production Support Division, Shiga Technical Center. Representative Member of the Board of Directors, Chairman & Chief Executive Officer, Nidec Electronics GmbH Representative Member of the Board of Directors and Chairman, Nidec Automobile Motor (Zhejiang) Corporation and Nidec Kaiyu

		<p>Auto Electric (Jiangsu) Co., Ltd.</p> <p>Member of the Board of Directors and Chairman, Nidec Automotive Motor Americas</p>
Member of the Board of Directors	Shozo Wakabayashi	Representative Director & Chairman, Japan Earthquake Reinsurance Co., Ltd.
Member of the Board of Directors	Noriko Ishida	President, Lion Bashi Law Firm

Position	Name	Job description or representative status at other corporations, etc.
Standing Member of Audit & Supervisory Board	Ryuichi Tanabe	Member of Audit & Supervisory Board, Nidec-Read Corporation
Standing Member of Audit & Supervisory Board	Osamu Narumiya	Member of Audit & Supervisory Board, Nidec Tosok Corporation
Standing Member of Audit & Supervisory Board	Tetsuo Inoue	Member of Audit & Supervisory Board, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Copal Electronics Corporation, Tosok Corporation, Nidec-Shimpo Corporation, Nidec-Read Corporation, Nidec Servo Corporation, Nidec Seimitsu Corporation, Nidec Copal Corporation, Nidec Logistic Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation
Member of Audit & Supervisory Board	Chihiro Suematsu	Professor, Kyoto University Graduate School of Economics and Faculty of Economics Professor, Kyoto University Graduate School of Management Outside Member of the Board of Directors, Zero-Sum, Ltd.
Member of Audit & Supervisory Board	Kiichiro Kobayashi	Professor, Keio University Graduate School of Business Administration

Notes:

1. Mr. Shozo Wakabayashi and Ms. Noriko Ishida, 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, Chihiro Suematsu, and Kiichiro Kobayashi, all Outside Members of the Audit & Supervisory Board Members, have been appointed as Independent Directors in accordance with applicable rules of Tokyo Stock Exchange, which has been informed of the three.
3. Appointments and transfers of members to the Board of Directors and Auditors during the fiscal year ended March 31, 2014 are as follows:
 - (1) During the 40th Ordinary Meeting of Shareholders held on June 25, 2013, Messrs. Bunsei Kure, Toshihiro Kimura, and Kazuya Hayafune were newly elected and assumed office as Members of the Board of Directors.
 - (2) As of the closing of the 40th Ordinary Meeting of Shareholders held on June 25, 2013, Mr. Toshihiko Miyabe left office as a Member of the Board of Directors.
 - (3) During the 40th Ordinary Meeting of Shareholders held on June 25, 2013, Mr. Tetsuo

Inoue was newly elected and assumed office as a Member of the Audit & Supervisory Board.

- (4) As of the closing of the 40th Ordinary Meeting of Shareholders held on June 25, 2013, Mr. Kazuya Murakami left office as a Member of the Audit & Supervisory Board.
4. Mr. Shozo Wakabayashi, a Member of the Board of Directors, has long been involved in financial services, and possesses sufficient knowledge and expertise on finance and accounting. No special relations exist between Nidec Corporation and his concurrently held posts.
 5. Ms. Noriko Ishida, a Member of the Board of Directors, is a qualified attorney, and possesses sufficient knowledge and expertise on law. No special relations exist between Nidec Corporation and his concurrently held posts.
 6. Mr. Ryuichi Tanabe, a Member of the Board 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 its Audit & Supervisory Board, is Nidec Corporation's subsidiary.
 7. Mr. Osamu Narumiya, a Member of the Board of the Audit & Supervisory Board, has long been involved in risk management and corporate administration and internal audit services, and possesses sufficient knowledge and expertise on finance and accounting.
 8. Mr. Tetsuo Inoue, a Member of the Board of the Audit & Supervisory Board, has long been involved in the management of Nidec Corporation's affiliated companies, and also having worked as General Manager of Nidec Corporation's Affiliates Administration Department, possesses sufficient knowledge and expertise on the management of the Nidec Group's affiliates.
 9. Messrs. Chihiro Suematsu and Kiichiro Kobayashi, Members of the Board of the Audit & Supervisory Board, are university professors, and thus have a deep insight and knowledge. No special relations exist between Nidec Corporation and their concurrently held posts.
 10. Changes in positions or representative statuses at other corporations
The following changes were made as of April 01, 2014:

Position	Name	Job description or representative status at other corporations, etc.
Representative Director of the Board of Directors & Executive Vice President	Hiroshi Kobe	Chief Operating Officer Representative Director of the Board of Directors and Chairman, Nidec Servo Corporation, Nidec Logistics Corporation, and Nidec Global Service Corporation
Director of the Board of Directors & Executive Vice President	Kenji Sawamura	In charge of special assignments
Director of the Board of Directors & Executive Vice President	Bunsei Kure	Advisor to Mr. Nagamori for Global Business Promotion Division, Global Purchasing Management Division, Automotive Motor & Electronic Control (AMEC) Business Unit, and Appliance, Commercial & Industrial Motor (ACIM) Business Unit Executive General Manager, ACIM Business Unit Supervising Corporate Strategic Office and Production Engineering Center Representative Member of the Board and Chairman, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec Elesys Corporation, and Nidec Motor Holdings Corporation Member of the Board and Chairman, Nidec ASI S.p.A., Nidec US Holdings Corporation, and Nidec Motor Corporation
Director of the Board of Directors & Executive Vice President	Akira Sato	Advisor to Mr. Nagamori (Accounting Dept.) In charge of Compliance Office, CFO Strategy Office, Public Relations, Advertising & Investor Relations Dept., Affiliates Administration Dept., Legal Dept., Global Tax Planning Dept., Finance Dept., and Corporate Administration & Internal Audit Dept. Representative Member of the Board and Chairman, Nidec Copal Corporation
Director of the Board of Directors & First Senior Vice President	Tadaaki Hamada	Supervising HR Dept. and Nidec Research & Development Center

		<p>In charge of Corporate Planning Dept., Intellectual Property Dept., and International Business Administration Dept.</p> <p>General Manager, Corporate Planning Dept.</p>
Director of the Board of Directors & First Senior Vice President	Toshihiro Kimura	Representative Director of the Board of Directors & President, Nidec Copal Corporation
Director of the Board of Directors & First Senior Vice President	Masuo Yoshimatsu	<p>Chief Financial Officer</p> <p>Supervising Accounting Dept.</p> <p>In charge of CFO Strategy Office, Public Relations and Advertising & IR Dept., Global Taxation Planning Dept., Finance Dept., and CSR Promotion Office</p> <p>GM, CFO Strategy Office</p> <p>Representative Member of the Board of Directors and Chairman, Nidec Management Shanghai Corporation</p>
Director of the Board of Directors & First Senior Vice President	Kazuya Hayafune	<p>Supervising Automotive Motor & Electronic Control (AMEC) Business Unit</p> <p>In charge of Production Support Division, Shiga Technical Center.</p> <p>Representative Member of the Board of Directors, Chairman & Chief Executive Officer, Nidec Electronics GmbH</p> <p>Representative Member of the Board of Directors and Chairman, Nidec Automobile Motor (Zhejiang) Corporation and Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.</p> <p>Member of the Board of Directors and Chairman, Nidec Automotive Motor Americas</p>

2. Aggregate amount of Directors' remuneration

Category	Number	Amount	Description
Members of the Board	12	¥338 million	Two Outside Members: ¥10 million
Members of the Audit & Supervisory Board	6	¥57 million	Four Outside Members: ¥30 million
Total	18	¥395 million	

Note: The above figures include those of the Member of the Board of Directors (an Outside Member) and the Member of the Audit & Supervisory Board who respectively left office as of the closing of the 40th Ordinary Meeting of Shareholders held on June 25, 2013.

3. Actions by Outside Members of the Board of Directors

(1) Attendance and statements by Outside Members of the Board of Directors

(1) Attendance and statements by Outside Members of the Board of Directors		
Name	Attendance (number of times)	Statement
	Meeting of Board of Directors	
Shozo Wakabayashi	20	Business management-related statements based on a professional viewpoint
Noriko Ishida	20	Expertise-based statements as an attorney

Note: During the fiscal year ended March 31, 2014, the Meeting of the Board of Directors was held 21 times.

(2) Attendance and statements by Outside Members of the Audit & Supervisory Board Members to the Meeting of the Board of Directors and the Meeting of Audit & Supervisory Board Members

Name	Attendance (number of times)		Statement
	Meeting of the Board of Directors	Meeting of Audit & Supervisory Board	
Ryuichi Tanabe	20	14	Business management-related statements based on a professional viewpoint
Chihiro Suematsu	19	12	Business management-related statements based on a professional viewpoint
Kiichiro Kobayashi	20	12	Business management-related statements based on a professional viewpoint

Note: During the fiscal year ended March 31, 2014, the Meeting of the Board of Directors was held 21 times, and the Meeting of the Audit & Supervisory Board was held 14 times.

(3) Overview of Limited Liability Agreement

Nidec Corporation has a limit liability contract with Mr. Shozo Wakabayashi and Ms. Noriko Ishida (Outside Members of the Board of Directors) and with Messrs. Ryuichi Tanabe, Chihiro Suematsu, and Kiichiro Kobayashi (Outside Members of the Audit & Supervisory Board). The contract's overview is as follows:

- The maximum amount of liability that any Outside Member to the Board of Directors or any Outside Corporate Auditor 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 425-1 of Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any Outside Member to the Board of Directors or any Outside Member 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 an audit corporation

1. Name: Kyoto Audit Corporation
2. Remuneration and other compensations for the audit corporation

Category	Amount paid
(1) Total amount of remuneration, etc. to be paid by the Company	¥219 million
(2) Total amount of money and other asset-type profit to be paid by the Company and its subsidiaries.	¥499 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 audit corporation, the audit fees for Companies Act-based audits and Financial Instruments and Exchange Law-based audits are not differentiated, nor are they able to be differentiated in reality.
 2. To the audit corporation, the Company consigns, and pays consideration for, services concerning the making of comfort letters, which are (non-auditing) services outside Article 2-1 of Certified Public Accountants Act of Japan.
 3. Of the Company's important subsidiaries, Nidec Motor Corporation and other eight 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 audit corporation (including those with overseas qualifications equivalent to those of such accountants or firms).
3. Policy to decide to dismiss or decline the re-appointment of an audit corporation
- Should an audit corporation be confirmed to have violated and/or conflicted with the laws and regulations stipulated in Companies Act of Japan or any other laws, the Company's Audit & Supervisory Board, based on such fact, will discuss the dismissal of, or not re-appointing, the audit corporation.

Should dismissal or not re-appointing an audit corporation be decided as an appropriate action, a request, based on the regulations of the Audit & Supervisory Board, will be made to the Company's Board of Directors that the dismissal or not re-appointing the audit corporation be an agenda in a General Meeting of Shareholders, and the Board of Directors will deliberate such request.

VI. The system to secure proper business performance

The Company established basic policies concerning its and its affiliated companies' internal control systems in a "Nidec Policy Manual" in September 2004, and with the establishment of Corporate Administration & Internal Audit Dept. and its activities, the Company has been trying to maintain, and improve the efficiency of, the internal control system that should be described in financial reports required by the US Sarbanes-Oxley Act of 2002.

The Company has in place the following system to secure proper business operations in accordance with Company Act and bylaws for execution thereof:

1. System to ensure that the execution of duties by the Company's members to the Board of Directors and employees in accordance with laws, regulations, and the Company's Articles of Incorporation

Secure the following compliance system by complying with and meeting requirements of laws and various regulations, internal regulations and criteria, social ethics and morals, etc. to: acquire social trust; heighten Directors' and employees' sense of moral; and operate the Company with integrity.

- (1) Establish "Compliance Regulations" to determine the basic policies and organization of, and how to operate, the Company's compliance system, and to establish a compliance system and raise awareness thereof through law and regulation-based proper operations, and continuous verification and improvement of the process of such operations.
- (2) Establish a Compliance Committee under the Board of Directors, create and execute an annual plan under the Committee's policy for each office and department General Manager to always promote, handle, and report on ethical conducts. Compliance Office supports this act and summarizes all reports on it, while Corporate Administration & Internal Audit Dept. audits on the status of the establishment of the system.
- (3) As part of the compliance promotion, hold compliance training during an HR Dept.-hosted employee training session. Also form a Compliance Code of Conduct as the Company's code of conducts, and all departments ensure that the Rules are understood and followed by every member in the departments.
- (4) Establish a group wide whistle-blowing system (Nidec Global Compliance Hotline) to promote employees to report violation of law and internal rules and raise issues, and to protect those who report on compliance issues.
- (5) To promote the aforementioned activities, Nidec has in place a Group-wide compliance-securing system (global compliance system) of people of the Compliance Office of Nidec Corporation working in collaboration with those of individual Group companies' regional compliance teams (in Americas, China, Europe, and Southeast Asia).
- (6) Prevent the recurrence of compliance violations by reporting and communicating such violations to Compliance Office or an internal report consultation service established outside the Company. Be especially careful to prevent violations committed by the Company management or employees, or any third parties, which cause false information to be written on financial statements. Make decisions on any case of compliance violation after deliberating it in the Company's Disciplinary Action Committee and the Meeting of the Board of Directors.

2. System on saving and managing information concerning execution of the duties by Members to the Board of Directors

Decide the number of years to keep, organize, and maintain documents concerning execution of duties of Members of the Board of Directors and Executive Officers (Vice Presidents), and make documents always available for the Company's Audit & Supervisory Board Members to view.

3. Regulations and systems concerning the management of loss-related risks

- (1) Under a risk management system, the Company has in place Risk Management Regulations to create a risk management system, and form Risk Management Committee and Risk

Management Office. Risk Management Committee, formed under the Board of Directors, establishes its annual policies based on which each office and department General Manager creates and executes annual plans to thoroughly manage, handle and report risks. While Risk Management Office supports such actions and summarizes status reports, Corporate Administration & Internal Audit Dept. audits how this risk management system is being established.

- (2) In addition to Risk Management Regulations, which are on daily risk management, Crisis Management Regulations exist for risks that have occurred and thus need to be contained.

4. System to ensure an efficient execution of the duties of members to the Board of Directors

- (1) As the basis of the “system to secure an efficient execution of the duties of members to the Board of Directors,” adopt an Executive Officer (Vice President) system, and assign executive authorities to the Officers (Vice President). The Board of Directors makes decisions on important matters concerning Nidec Corporation’s business policies and strategies, appoint and dismiss Executive Officers (Vice President), and supervise the executions of their duties.
- (2) The Nidec Group forms a mid-term business plan to realize its long-term vision set as a specific quantified and qualitative goal, and use it as the basis of its annual business plan. The Nidec Group, in forming such plan, discusses and makes decisions on various matters including the mid-term goal’s feasibility, the goal’s consistency with the long-term vision, and issues and risks to solve to achieve the goal. Also, depending on changes and progresses in the market, the Nidec Group reviews (performs rolling on) the plan regularly.
- (3) Approval Request (*Ringi*) Regulation exists on matters subject to approval and the approval request procedure in order to clarify decisions on job handling and relations among authorities and thus to improve business efficiency and transparency.
- (4) Each department, under its responsibilities, collects sufficient information needed, and, as necessary, circulates such information collected to concerned departments without delay. Each department reports and shares important information in the daily risk meeting immediately, and the minutes of the meeting are distributed to each department’s General Manager daily to handle daily work. Discuss and share such information from the minutes, as necessary, widely in the Meeting of Managing Directors and the Management Meeting.

5. System to secure proper operations of a business group consisting of the Company and its subsidiaries

- (1) The Company’s Members of the Board of Directors and Vice Presidents work as the Directors and Vice Presidents of Group companies, and attend each Group company’s Management Meeting, hold a Group CEO Meeting every quarter, etc. to efficiently share business policies and information and communicate instructions and requests. Also, departments that oversee the work of Group companies, i.e., Affiliates Administration Dept. and International Business Administration Dept., aim to strengthen their ties with each Group company.
- (2) To secure corporate governance over the entire Nidec Group, each department in the Head Office provides instructions and supports to establish an internal control system for the entire Group, and manages and audits business operations so that they will be performed legally, properly, and efficiently.
- (3) The Compliance Office establishes a regional compliance office and appoint regional compliance officers in Japan, Americas, China, Europe, and Southeast Asia, establishes an internal report system (Nidec Global Compliance Hotline) in each Group company, while holding a compliance seminar, and establishing a global compliance system for the Nidec

Group.

- (4) Corporate Administration & Internal Audit Dept. performs an internal audit on the Company and each Group company, and provides guidance for work improvement, while supporting and advising on work improvement.
6. Matters concerning employee-related issues and the independence of such employees from the Board of Directors when the Company's Auditors decide to have any employees assist the duties of the Members of the Audit & Supervisory Board
- (1) Corporate Administration & Internal Audit Dept., following a request by the Board of Auditors, performs audits on matters that Audit & Supervisory Board Members requested to audit, and reports the result of such audits to the Audit & Supervisory Board.
 - (2) During such audits, assistance is provided for Audit & Supervisory Board Members' duties under their supervision. The Board of Directors and Vice Presidents do not in any way unreasonably restrict the report of the audit.
7. System for the Company's Members of the Board of Directors and employees to report to Audit & Supervisory Board Members, etc.

In addition to legally required matters, the Company's Members to the Board of Directors and employees immediately report any matters that significantly affect the Company, the status of an internal audit, and the status and the description of any reports made based on the internal report system. The way to report such matters is decided by discussion between the Board of Directors and the Audit & Supervisory Board.

8. Other aspects to ensure effective auditing by Members of the Audit & Supervisory Board
- (1) The members of the Audit & Supervisory Board exchange their opinions with the Company's top management.
 - (2) The members of the Audit & Supervisory Board summarize monthly activities in an audit report, and submit it to the meeting of the Board of Directors.
 - (3) The members of the Audit & Supervisory Board visit each company's workplace, and perform a *3Q6S audit, etc.

Consolidated Balance Sheets

(As of March 31, 2014)

Assets	Yen in millions
Title	Amount
Current assets:	615,968
Cash and cash equivalents	247,740
Trade notes receivable	12,188
Trade accounts receivable *1	184,096
Inventories	123,881
Other current assets	48,063
Investments and advances:	18,455
Marketable securities and other securities *3 investments	16,437
Investments in and advances to affiliated companies	2,018
Property, plant and equipment:	298,881
Land	47,137
Buildings	177,617
Machinery and equipment	363,806
Construction in progress	18,372
Less - Accumulated depreciation	(308,051)
Goodwill	154,927
Other noncurrent assets *1	77,687
Total assets	1,165,918

Liabilities and Equity	(Yen in millions)
Title	Amount
Current liabilities:	282,415
Short-term borrowings	22,600
Current portion of long-term debt	29,245
Trade notes and accounts payable	166,383
Accrued expenses	31,045
Other current liabilities	33,142
Long-term liabilities:	342,598
Long-term debt	299,411
Accrued pension and severance costs	17,943
Other long-term liabilities	25,244
Total liabilities	625,013
Common stock	66,551
Additional paid-in capital	65,197
Retained earnings	367,617
Total accumulated other comprehensive income (loss)	58,376
Foreign currency translation adjustments	54,539
Unrealized gains (losses) from securities	4,185

Unrealized gains from derivative instruments qualifying for cash flow hedges	(24)
Pension liability adjustments	(324)
Treasury stock, at cost	(39,640)
Total Nidec Corporation shareholders' equity	518,101
Non-controlling interests	22,804
Total equity	540,905
Total liabilities and equity	1,165,918

Condensed Consolidated Statements of Income

(For the fiscal year ended
March 31, 2014)

(Yen in millions)

Title	Amount
Net sales	875,109
Cost of products sold	674,699
Selling, general and administrative expenses	77,534
Research and development expenses	37,808
Operating expenses	790,041
Operating income	85,068
Other income (expenses):	(404)
Interest and dividend income	2,376
Interest expenses	(1,526)
Foreign exchange gain (loss), net	(56)
Gain (loss) from marketable securities, net	245
Other, net	(1,443)
Income from continuing operations before income taxes	84,664
Income taxes	(25,729)
Equity in net income (loss) of affiliated companies	(25)
Consolidated net income	58,910
Less: Net income attributable to non-controlling interests	(2,506)
Net income attributable to Nidec Corporation	56,404

Consolidated Statements of Shareholders'
Equity and Comprehensive Income (Loss)

(For the fiscal year ended)
March 31, 2014

(Yen in millions)

Title	Shares	Amount	Additional paid-in capital	Retained earnings	Accumula- ted other comprehe- nsive income (loss)	Treasury stock, at cost	Nidec Corporati- on total- sharehold- ers' equity	Non-contro- lling interests	Total
Balance at March 31, 2013	290,150,160	66,551	70,518	322,638	12,953	(57,007)	415,653	38,164	453,817
Comprehensive income:									
Net income				56,404			56,404	2,506	58,910
Other comprehensive income (loss)									
Foreign currency translation adjustments					41,903		41,903	1,526	43,429
Unrealized loss on securities, net of reclassification adjustment					2,998		2,998	(18)	2,980
Unrealized gain from derivative instruments qualifying for cash flow hedges					(266)		(266)	—	(266)
Pension liability adjustments					788		788	(51)	737
Other comprehensive income (loss)							45,423	1,457	46,880
Total comprehensive income							101,827	3,963	105,790
Purchase of treasury stock									
Change in ownership of Nidec Sankyo in connection with share exchange transaction						(2,838)	(2,838)	—	(2,838)
Dividends paid to shareholders of Nidec Corporation			(4,279)			20,655	16,376	(16,376)	—
Dividends paid to non-controlling interests				(11,425)			(11,425)	—	(11,425)
Acquisitions of new subsidiaries							—	(894)	(894)
Capital transaction with consolidated subsidiaries and other			(1,042)			(450)	(1,492)	(2,053)	(3,545)
Balance at March 31, 2014	290,150,160	66,551	65,197	367,617	58,376	(39,640)	518,101	22,804	540,905

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014.

Notes to the consolidated financial statements

The amounts in the statements are rounded off to the one million.

I. Scope of consolidation and application of the equity method

1. Scope of consolidation

Number of consolidated subsidiaries: 229

Names of major consolidated subsidiaries:

Nidec Electronics (Thailand) Co., Ltd., Nidec (Zhejiang) Corporation, Nidec (Dalian) Limited, Nidec Singapore Pte. Ltd., Nidec (H.K.) Co., Ltd., Nidec Philippines Corporation, Nidec Sankyo Corporation, Nidec Copal Corporation, Nidec Tosok Corporation, Nidec Copal Electronics Corporation, Nidec Techno Motor Corporation, Nidec Motor Corporation, Nidec Motors & Actuators (Germany) GmbH, and Nidec-Read Corporation

2. Change in the scope of consolidation

Increase of consolidated subsidiaries: 10

Name of the newly joined consolidated subsidiary:

Nidec Elesys Corporation

Nidec Elesys Corporation is an increase in the number of subsidiaries based on the new acquisition of a majority of its voting rights.

Decrease of consolidated subsidiaries: 13

3. Application of equity method

Number of affiliated companies accounted for by the equity method: 5

Name of the company accounted for by the equity method:

Nidec Development Philippines Corporation and four other companies

4. Changes in the application of the equity method

Increase in the number of companies to which the equity method has been applied: 1

Decrease in the number of companies to which the equity method has been applied: 1

5. Matters concerning accounting standards

(1) Standard for the production of consolidated statements

Nidec's consolidated financial statements, based on the Supplementary Provision of Paragraph 2-1, Article 120 of the Company Calculation Rules, are in accordance with the terms, style, and production method of generally accepted accounting principles in the US. However, in compliance with the regulations of the same Paragraph, part of the descriptions and notes required by the generally accepted accounting principles in the US are omitted.

- (2) Standards and methods of evaluation of inventory assets
The lower cost method based on the average method is mainly used.
- (3) Valuation bases and methods of valuable securities
In accordance with the US Generally Accepted Accounting Principles, we comply with FASB Accounting Standards Codification™ (ASC) 320, “Investments-Debt and Equity Securities” (former SFAS No. 115, “Accounting for Certain Investment in Debt and Equity Securities”), categorize items based on their investing purposes, and evaluate them.
- (4) Depreciation method for tangible fixed assets
The tangible fixed assets are calculated mainly by the straight-line method.
- (5) Goodwill and other noncurrent assets
In accordance with ASC 350, “Intangibles-Goodwill and Other” (Formerly SFAS No. 142, “Intangibles-Goodwill and Other”), intangible fixed assets whose goodwill and number of durable years cannot be determined are not amortized but undergo a depletion test at least annually. Intangible fixed assets whose number of durable years can be determined are amortized by the straight-line method based on the estimated number of their durable years.
- (6) Lease accounting
ASC 840, “Leases” (Former SFAS No. 13, “Accounting for Leases”) is used.
- (7) Income taxes, etc.
Nidec uses a tax effect accounting system based on the asset-liability method, and the effect of any change in the tax ratio to the deferred tax assets and to liabilities is recognized as the profit (loss) of the consolidated fiscal year including the date of enactment of the law concerning the change in the tax ratio.
- (8) Standard for reserves
Reserve for doubtful accounts
To prepare for bad-debt loss of accounts and loans receivable, etc., the collectibility of general credits is deliberated based on the loan loss ratio, and the collectibility of specific credits such as credits feared to become uncollectible is individually deliberated, before any expected amount of uncollectible loan is recorded
- (9) Retirement and pension costs
In accordance with ASC 715 “Compensation-Retirement Benefits,” and to prepare to provide employee retirement benefits, the costs are allocated based on the fair value of the retirement benefit credits and the pension assets as of the end of the consolidated fiscal year.

Mathematical gaps are amortized based on the average number of the remaining working years of employees only when the outstanding amount as of the beginning of any consolidated fiscal year exceeds the designated amount, which is defined as 10% of the fair value of either the expected amount of projected benefit obligation or the pension assets (whichever is larger).

The past work cost is amortized based on the average number of work years of employees as of when such cost is generated.

- (10) Consumption tax and local consumption tax
Consumption tax and local consumption tax are handled based on the tax-excluded method.

6. Newly adopted accounting standard

- (1) As of April 01, 2013, we adopted FASB Accounting Standards Codification™ (ASC) 350 “Intangibles-Goodwill and Other” updated by Accounting Standards Update (ASU) No. 2012-02 “Testing Indefinite-Lived Intangible Assets for Impairment.” ASU 2012-02 allows an entity the option of performing a qualitative assessment before calculating the fair value of an indefinite-lived intangible asset and performing the quantitative impairment test. If an entity determines, on the basis of qualitative factors, that it is more likely than not that the asset is impaired, the quantitative impairment test would be required. The adoption of this standard did not have a material impact on our consolidated financial position, results of operations and liquidity.
- (2) As of April 01, 2013, we adopted FASB ASC 220 “Comprehensive income.” updated by ASU No. 2013-02 “Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.” ASU 2013-02 requires an entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. The standard is a provision for disclosure. The adoption of this standard did not have any impact on our consolidated financial position, results of operations and liquidity.

II. Notes on the consolidated balance sheet

*1. Reserve for doubtful accounts:

Current assets	¥1,126 million
Noncurrent assets	¥467 million

2. Liability obligation

Employee housing loan:	¥60 million
Contract bond, etc.	¥6,967 million

*3. Assets provided for collateral

Held-to-maturity securities:	¥400 million
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III. Notes on the consolidated statements of shareholders' equity

1. Type and number of issued shares as of the end of the consolidated fiscal year

Common stocks: 290,150,160

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the number of common stocks issued was calculated assuming that the stock split took place as of the end of the fiscal year under review.

2. Distribution of surplus

(1) Dividends paid

(Resolution)	Type of share	Total dividend	Dividend per share	Base date	Effective date
Board of Directors Meeting on May 28, 2013	Common stock	¥5,387 million	¥40	March 31, 2013	June 05, 2013
Board of Directors Meeting on October 22, 2013	Common stock	¥6,038 million	¥45	September 30, 2013	December 02, 2013

(2) Dividends whose base dates are within the fiscal year under review, but the effective dates of whose distribution will be next consolidated fiscal year

(Resolution)	Type of share	Total dividend	Dividend resource	Dividend per share	Base date	Effective date
Board of Directors Meeting on May 27, 2014	Common stock	¥7,585 million	Retained earnings	¥55	March 31, 2014	June 03, 2014

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the amount of dividend per share described is the amount of the actual dividend prior to the stock split.

3. Type and the number of stocks subject to the share warrant at the end of the fiscal year (excluding the ones whose first date of the exercise period has not arrived yet)

Date of resolution for issuance	Type of stocks subject to the share warrant	Number of stocks subject to the share warrant
September 02, 2010	Common stock	18,021,833

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the number of the stocks subject to the share warrant was calculated assuming that the stock split took place at the beginning of the consolidated fiscal year.

IV. Notes on financial commodities

1. Matters on the circumstancing concerning financial commodities

The Nidec Group limits its fund operations to short-term savings, etc., and raises its funds by loan from banks and other financial institutions and by issuing corporate bonds. With respect to credit risks concerning operating receivables, we try to early identify concerns caused by the deterioration, etc. of financial and other conditions and to alleviate such concerns. Our securities are mainly stocks, and we understand the values of our listed stocks on the quarterly basis. Loans payable are largely used to operate business and to invest for plants, equipment, and machinery. To manage risks caused by the fluctuation of interests, currency exchange rates, and commodity prices, we engage in derivative transactions in part of our business.

2. Matters on the actual values of financial commodities

The estimates of the carrying and fair values of financial commodities as of the end of the fiscal year are as follows:

Yen in millions

	Carrying value	Estimated fair value
Assets and liabilities		
Cash and cash equivalents	247,740	247,740
Short-term investments	2,344	2,344
Long-term investment	83	82
Short-term loans receivables	157	157
Securities	14,783	14,785
Long-term loans receivables	48	50
Short-term loans payable	(22,600)	(22,600)
Long-term liabilities (including the current portion of long-term debt, and excluding capital lease liabilities)	(77,804)	(77,486)
Corporate bonds (including ones redeemable within one year)	(245,991)	(271,853)
Derivatives	11	11

The method to estimate the fair value of financial commodities is as follows:

- (1) Cash and cash equivalents, short-term investments, short-term loans receivables, and short-term loans payable:

Under normal business operations, almost all cash and cash equivalents, short-term investments (fixed deposit), short-term loans receivables, and short-term loans payable are highly liquid, and their carrying values are approximately their fair values.

- (2) Long-term investments

Long-term investments, which are mainly fixed deposits whose periods from their date of acquisition to the maturity date exceed one year, are estimated based on an amount that results after discounting a cash flow expected in the future to the current value.

- (3) Securities

Nidec's securities are mainly with actual values, and valued based on market values not requiring adjustment in active markets where a sufficient volume of transactions take place frequently. Non-marketable securities, whose fair values are not easily assessable, are not included in the table above.

- (4) Long-term loans receivables

The fair values of long-term loans receivable are estimated by discounting the amounts of their prospective cash flow based on their current values.

- (5) Long-term liabilities

The fair values of long-term liabilities (including the current portion of long-term debt, and excluding capital lease liabilities) are estimated by using the interest rate applied when Nidec newly accepts a liability similar to those liabilities, and by discounting the amount to be returned in the future based on the liabilities' current values.

- (6) Corporate bonds

The fair values of the corporate bonds issued by the Nidec Group (including ones redeemable within one year) are estimated based on market price.

- (7) Derivative

Derivatives are forward exchange contracts and other derivative financial commodities, and valued based on their reasonable prices obtained from business partners or third parties. Also, commodity futures contracts are valued based on market values not requiring adjustment in active markets where a sufficient volume of transactions take place frequently.

"Trade notes receivable and trade accounts receivable" and "Trade notes and accounts payable," which are both handled within a short term, and similar to the carrying value, are not included in the table above.

V. Notes on per-share information

1. Shareholders' equity per share: ¥1,878.50
2. Current net profit per share attributable to Nidec's shareholders: ¥207.31

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, and the per-share information was calculated assuming that the stock split took place at the beginning of the fiscal year.

VI. Notes on important post-balance sheet events

The provisions of ASC 805, "Business Combinations," were applied. Since the assets obtained and the liabilities succeeded from Mitsubishi Materials C.M.I. Corporation (currently Nidec Sankyo CMI Corporation) and Honda Elesys Co., Ltd. (currently Nidec Elesys Corporation), both purchased by Nidec Corporation during the fiscal year ended March 31, 2014, are currently under valuation, their amounts are based on the current preliminary estimation.

VII. Notes on important post-balance sheet events

1. Execution of Share Exchange Agreement with Nidec Copal Electronics Corporation
In their respective meetings of the Board of Directors held on April 22, 2014, Nidec Corporation ("the Company") and Nidec Copal Electronics Corporation ("Nidec Copal Electronics"), adopted a resolution to exchange shares to make Nidec Copal Electronics a wholly owned subsidiary of the Company, and executed a share exchange agreement with each other.

(1) Purpose	Further enhance Nidec Copal Electronics' ties with the Company, realize a Group business management based on an efficient and quick decision making, share the two companies' management resources with each other, and improve investment efficiency.
(2) Share acquisition method and period	The share exchange will be executed with the Company the wholly owning parent stock company and Nidec Copal Electronics the wholly owned subsidiary company. The Company will exchange its shares, in accordance with the simple share exchange procedure based on Article 796-3 of the Companies Act of Japan, without approval in a Meeting of Shareholders, while Nidec Copal Electronics will exchange its shares after obtaining approval in an Ordinary Meeting of Shareholders planned to be held on June 20, 2014, with an effective date of October 01, 2014.
(3) Share allocation ratio	0.138 share of the Company will be allocated per Nidec Copal Electronics' share. Should any material change be made to the conditions that are the basis of the calculation, the share allocation ratio may be changed after consultation between the two companies.
(4) Number of the Company's shares allocated in this share exchange	Nidec expects to allocate 3,160,584 shares (tentative) of its common stock in the Share Exchange. Nidec intends to use shares of its common stock held in treasury, and does not intend to issue any new shares, for the Share Exchange. Nidec implemented a two-for-one split of its common stock, effective April 1, 2014. The number of Nidec shares allocated in the Share Exchange is calculated on a post-split basis.

2. Execution of Share Exchange Agreement with Nidec-Read Corporation

In their respective meetings of the Board of Directors held on April 22 2014, the Company and Nidec-Read Corporation (“Nidec-Read”), adopted a resolution to exchange shares to make Nidec-Read a wholly owned subsidiary of the Company, and executed a share exchange agreement with each other.

(1) Purpose	Further enhance Nidec-Read’s ties with the Company, realize a Group business management based on an efficient and quick decision making, share the two companies’ management resources with each other, and improve investment efficiency.
(2) Share acquisition method and period	The share exchange will be executed with the Company the wholly owning parent stock company and Nidec-Read the wholly owned subsidiary company. The Company will exchange its shares, in accordance with the simple share exchange procedure based on Article 796-3 of the Companies Act of Japan, without approval in a Meeting of Shareholders, while Nidec-Read will exchange its shares after obtaining approval in an Ordinary Meeting of Shareholders planned to be held on June 17, 2014, with an effective date of October 01, 2014.
(3) Share allocation ratio	0.243 share of the Company will be allocated per Nidec-Read’s share. Should any material change be made to the conditions that are the basis of the calculation, the share allocation ratio may be changed after consultation between the two companies.
(4) Number of the Company’ shares allocated in this share exchange	Nidec expects to allocate 1,421,513 shares (tentative) of its common stock in the Share Exchange. Nidec intends to use shares of its common stock held in treasury, and does not intend to issue any new shares, for the Share Exchange. Nidec implemented a two-for-one split of its common stock, effective April 1, 2014. The number of Nidec shares allocated in the Share Exchange is calculated on a post-split basis.

Non-consolidated Balance Sheets

(As of March 31, 2014)

(Yen in millions)

Assets	Amount	Liabilities	Amount
Assets		Liabilities	
Current assets:	123,936	Current liabilities	102,314
Cash and deposits	6,732	Notes payable-trade *1	21,218
Notes receivable-trade	232	Accounts payable-trade *1	827
Accounts receivable-trade *1	60,239	Short-term loans payable	21,204
Finished goods	2,233	Corporate bonds redeemable within one year	27,417
Work in process	93	Lease obligations	27
Raw materials and supplies	156	Accounts payable-other *1	8,465
Prepaid expenses	455	Accrued expenses	554
Deferred tax assets	2,309	Advances received	38
Short-term loans receivable from subsidiaries and affiliates *1,5	48,338	Deposits received *1	20,520
Account receivable-other *1	2,670	Unearned revenue	173
Corporate tax receivable, etc.	639	Provision for bonuses	1,850
Other *1	22	Other	21
Allowance for doubtful accounts	(182)	Noncurrent liabilities	295,257
Noncurrent assets:	504,402	Corporate bonds	245,891
Property, plant, and equipment	34,649	Long-term loan payable	48,918
Buildings *2	17,883	Lease obligations	2
Structures *2	567	Accrued pension cost *4	203
Machinery and equipment *2	865	Other *1	243
Vehicles *2	7		
Tools, furniture and fixtures *2	1,949		
Land *3	13,278	Total liabilities	397,571
Lease assets *2	26	Net assets	
Construction in progress	74	Shareholder's equity	229,542
Intangible assets	5,854	Capital stock	66,551
Patent right	121	Capital surplus	83,179
Software	2,626	Legal capital surplus	70,772
Software in progress	3,005	Other capital surplus	12,407
Other	102	Retained earnings	120,339
Investments and other assets	463,899	Legal retained earnings	721
Investment securities	10,044	Other retained earnings	119,619
Stocks of subsidiaries and	424,568	General reserve	89,650

affiliates			
Investments in capital	0	Retained earnings brought forward	29,969
Investments in capital of subsidiaries and affiliates	25,283	Treasury stock	(40,527)
Claims provable in bankruptcy, claims provable in rehabilitation and other	445	Total valuation and translation adjustments	1,225
Long-term prepaid expenses	144	Valuation difference on available-for-sale securities	1,566
Deferred tax assets	3,814	Deferred gains or losses on hedges	(11)
Other *1	46	Revaluation reserve for land *3	(330)
Allowance for doubtful accounts	(445)	Total net assets	230,767
Total assets	628,338	Total liabilities and net assets	628,338

Non-Consolidated Statements of Income

(For the fiscal year ended
March 31, 2014)

(Yen in millions)

Sales and income		Amount	
Net sales	*1		165,953
Cost of sales	*2		131,740
Gross profit			34,213
Selling, general and administrative expenses	*3		29,348
Operating income (loss)			4,865
Non-operating income	*4		
Interest income		379	
Dividend income		3,917	
Other		1,303	5,599
Non-operating expenses			
Interest expenses	*4	497	
Corporate bond expenses		560	
Sales discounts		52	
Foreign exchange losses		2,625	
Bond-issuing expenses		75	
Interest on commercial papers		516	4,325
Ordinary income			6,139
Extraordinary income			
Gain on sales of noncurrent assets	*4	33	
Gain on sales of investment securities		8	
Gain on liquidation of subsidiaries and affiliates	*4,5	5,486	5,527
Extraordinary losses			
Impairment loss	*4	14	
Loss on disposal of noncurrent assets		2	
Loss on sales of investment securities	*4,6	669	685
Loss on valuation of stocks of subsidiaries and affiliates			10,981

Loss on valuation of investment in capital of subsidiaries and affiliates	1,862	
Income (loss) before income taxes	3,930	5,792
Income taxes-current		5,189

Non-Consolidated Statements of Shareholders' Equity

(For the fiscal year ended
March 31, 2014)

(Yen in millions)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings			
					General reserve	General reserve		
Balance at the end of previous period	66,551	70,772	2,375	721	129,650	(3,776)	(56,109)	210,184
Total changes of items during the period								
Dividends from surplus						(11,446)		(11,446)
Provision of general reserve					(40,000)	40,000		—
Net income						5,189		5,189
Purchase of treasury stock							(5,073)	(5,073)
Disposition of treasury shares			10,032				20,655	30,686
Reversal of revaluation reserve for land						1		1
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	10,032	—	(40,000)	33,745	15,582	19,358
Balance at the end of the period	66,551	70,772	12,407	721	89,650	29,969	(40,527)	229,542

	Valuation and translation adjustments			Total net assets
	Valuation difference on available for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	
Balance at the end of previous period	870	(6)	(329)	210,719
Total changes of items during the period				
Dividends from surplus				(11,446)
Provision of general reserve				—
Net income				5,189

Purchase of treasury stock				(5,073)
Disposition of treasury shares				30,686
Reversal of revaluation reserve for land				1
Net changes of items other than shareholders' equity	696	(5)	(1)	690
Total changes of items during the period	696	(5)	(1)	20,048
Balance at the end of the period	1,566	(11)	(330)	230,767

Notes on non-consolidated Financial Statements
Amounts less than ¥1,000,000 are rounded off.

I. Important accounting policy

1. Valuation bases and methods of securities

(1) Stocks of subsidiaries and affiliated companies

Cost method by the moving average method

(2) Other securities

Securities with actual values

Market value method based on the market price of the accounting date, etc. (Valuation differences are all reported as a component of shareholders' equity, and the cost of products sold is calculated by the moving average method.)

Securities without actual values

Cost method by the moving average method

2. Valuation bases and methods of derivatives, etc.

Derivatives are stated at their market prices.

3. Valuation bases and methods of inventory assets

(1) Products, raw materials, and works in progress

Cost method based on the moving average method (Balance sheet values are calculated by the book value devaluation method based on the decline of profitability)

(2) Inventory

Last cost method (Balance sheet values are calculated by the book value devaluation method based on the decline of profitability).

4. Depreciation method for fixed assets

(1) Tangible fixed assets (except for lease assets)

The straight-line method

The durable years of main buildings, machinery and equipment are 3 – 50 years for buildings, and 2 – 9 years for machinery and equipment.

(2) Intangible fixed assets (except for lease assets)

Intangible fixed assets (except for lease assets) are stated based on the straight-line method. However, software for the Company's own use is stated based on the straight-line method considering its usable period (usually five years).

(3) Lease assets

Lease assets are stated based on the straight-line method, where their lease periods are the number of their usable years, and their residual values are zero.

5. Deferred assets

Deferred assets are all processed as costs at payment.

6. Reserve allocation standards

(1) Reserve for doubtful accounts

To prepare for loss by credits becoming bad, the collectability of general credits is deliberated based on their credit loss ratio, and that of specific credits such as credits feared to become bad is deliberated for each of such credits, before the credits' collectability is allocated.

(2) Reserve for employee bonuses

To prepare for the provision of bonuses to employees, the reserve for employee bonuses is allocated based on the estimated amount to be paid.

(3) Retirement reserve

The amount believed to be generated as of the end of the fiscal year is allocated based on the expected amounts of retirement benefits and pension assets at the end of the same year in order to prepare for the provision of employee bonuses.

For mathematical gaps, based on the straight-line method for a certain number of years (5) within the number of average remaining working hours of employees at the beginning of each fiscal year, proportionally divided amounts are handled as costs from the next fiscal year after such amounts are generated.

With regards to past service liabilities, proportionally divided amounts are handled as costs based on a certain number of years (5) within the number of average remaining working hours for employees at the time of occurrence.

7. Important hedge accounting method

(1) Hedge accounting method

A special process was adopted to interest rate swap, which satisfied the conditions for such a process.

(2) Hedging instrument and hedged item

Hedging instrument

Interest rate swap

Hedged item

Loans payable

(3) Hedging policy

Hedge interest rate fluctuations in interest rate swap transactions.

(4) Method of evaluating hedge effectiveness

The evaluation of the effectiveness of the special treatment-based interest rate swap is omitted.

8. Accounting of consumption tax, etc.

The tax excluded method is used to consumption taxes, etc.

9. Adoption of the consolidated taxation system is adopted.

The consolidated taxation system is used.

II. Notes on the balance sheets

*1. Monetary claims and liabilities to affiliated companies

Short-term monetary claims:

¥104,285 million

Long-term monetary claims:	¥16 million
Short-term monetary liabilities:	¥42,621 million
Long-term monetary liabilities:	¥36 million

*2. Accumulated amount of depreciation of tangible fixed assets: ¥18,763 million
This includes accumulated impairment loss of tangible fixed assets of ¥165 million.

*3. Adoption of the Land Revaluation Law

Based on the Law concerning Revaluation of Land (promulgated on March 31, 1998, Law No. 34) and the Law to Partially Modify the Law concerning Revaluation of Land (revised on March 31, 1999), the land for business use was revaluated, and revaluation excess is allocated in the “Net assets” section.

Revaluation method stipulated in Paragraph 3, Article 3 of the Law

The land was revaluated after reasonable adjustment was made on the price calculated based on the method decided and announced by the Director of the National Tax Administration Agency to calculate the land price which is the basis of the calculation for the taxation standard for the land price tax stipulated in Article 16 of the Land Price Tax Law (1991, Law No. 69) in Article 2-4 of the Order for Enforcement of Law on Revaluation of Land (promulgated on March 31, 1998, Ordinance No. 119).

Date of revaluation: March 31, 2000

The gap between the total current value of the land for commercial use that was revaluated in accordance with Article 10 of the Law as of the end of the fiscal year and the total book value of the land for commercial use after revaluation: ¥3,032 million

*4. The pension assets in the employee pension trust that were offset with the reserve for employees’ retirement benefits or added to the prepaid pension expenses: ¥1,519 million

*5. Loan commitment

The Company concluded basic, CMS (cash management system)-related agreements with its 12 subsidiaries, and decided a loan limit. The amounts of unexecuted loan as of the end of the fiscal year based on these agreements are as follows:

Total of loan limits:	¥50,384 million
Executed loans outstanding:	¥29,132 million
Balance on unexecuted loans outstanding:	¥21,252 million

6. Contingent obligation

1. The Company uses letters of obligation on business management instructions and other means, and provides the following company with guarantee for borrowed indebtedness of finance:

Nidec Motors & Actuators (Spain):	¥126 million
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(2) The Company provides the following subsidiaries with guarantee for borrowed indebtedness of finance for their lease contracts:

Nidec (Dalian) Limited	¥1,068 million
Nidec (Zhejiang) Corporation	¥505 million
Nidec Copal (Zhejiang) Co., Ltd.	¥280 million
Nidec Sankyo (Zhejiang) Corporation	¥40 million
Nidec Sankyo Electronics (Dongguan) Corporation	¥197 million
Nidec Philippines Corporation	¥663 million
Nidec Precision Philippines Corporation	¥736 million
Nidec Copal (Thailand) Co., Ltd.	¥167 million

III. Notes on the profit and loss statement

1. Business transactions with affiliated companies

*1. Sales	¥138,354 million
*2. Cost of products purchased	¥126,032 million
*3. Selling, general and administrative expense	¥9,131 million
*4. Non-sales transactions	¥10,982 million

2. Other

- *5. "Inter-company transfer pricing adjustment (extraordinary profit)" is based on a mutual agreement to eliminate double taxation in transactions between the Company and Nidec Electronics (Thailand) Co., Ltd., the Company's overseas subsidiary.
- *6. "Inter-company transfer pricing adjustment (extraordinary loss)" is based on the advance pricing agreement concerning the calculation method, etc. of the arm's length price in transactions between the Company and Nidec Electronics GmbH, the Company's overseas subsidiary.

IV. Notes on changes to the statement of shareholders' equity
Type and number of treasury stocks

(Unit: shares)

Stock type	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Common stock	10,155,522	758,911	3,742,457	7,171,976

Notes:

1. The increase of 758,911 shares in the number of common stocks held in treasury is due to share acquirement of 500,000 shares due to a resolution of the Board of Directors, 240,075 shares of the Company's shares owned by its subsidiaries, 12,836 odd-lot shares due to the repurchase of odd-lot shares, and 6,000 shares purchased from those shareholders opposed to making Nidec Seimitsu Corporation a wholly owned subsidiary of the Company.
2. The decrease of 3,742,457 shares in the number of common stocks held in treasury is due to making Nidec Copal Corporation, Nidec Tosok Corporation, and Nidec Seimitsu Corporation wholly owned subsidiaries of the Company via share exchange.
3. The information above is as of the end of the fiscal year prior to the share split on April 01, 2014.

V. Notes to the tax effect accounting

Major reasons for deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets (current)	
Disallowed provisions for bad debts	¥65 million
Disallowed provisions for accrued bonus	¥666 million
Write-down of inventories	¥69 million
Disallowed accrued expense	¥408 million
Allowed deferred credit	¥52 million
Inter-company transfer pricing adjustment	¥158 million
Loss carried forward	¥318 million
Other	¥573 million
Total deferred tax assets (current)	¥2,309 million
Deferred tax assets (noncurrent)	
Surplus over the limit of deductible expenses of bad debt reserve	¥80 million
Valuation loss on investment securities	¥4 million
Disallowed depreciation	¥509 million
Accrued pension cost	¥73 million
Accrued retirement benefit to directors	¥6 million
Impairment loss of subsidiary stocks and investments	¥4,746 million
Allowed long-term deferred credit	¥35 million
Loss carried forward	¥3,860 million
Others	¥268 million
Subtotal deferred tax assets (noncurrent)	¥9,581 million
Valuation reserve	¥(4,886) million
Total deferred tax assets (noncurrent)	¥4,695 million
Deferred tax liabilities (noncurrent)	
Valuation difference on available-for-sale securities	¥881 million
Total deferred tax liabilities (noncurrent)	¥881 million
Deferred tax assets, net (noncurrent)	¥3,814 million

VI. Notes on transactions with concerned parties

1. Directors and main individual shareholders, etc.

Category	Company name	Voting right and other ratios (possessing/ being possessed)	Relationship		Detail of business	Transaction amount (In ¥1 million)	Account title	Balance at the end of term (in million) ¥1
			Concurrent officers	Relationship with concerned personnel				
Director and his/her close relative	Shigenobu Nagamori	Stock: Possessing Direct: 9.1% Indirect: 5.9%	-	Chairman of the Board & President	Share exchange*1	3,741	-	-
Company whose officer or his/her close relative possesses a majority of voting rights	SN Kosan Ltd.	Mr. Nagamori, a Director of the Company, indirectly possesses 100.0% of the stocks. Stock: Possessing Direct: 4.0%	1	Service transaction	Share exchange*2	203	-	-

Notes:

1. The transaction was aimed to make Nidec Copal Corporation and Nidec Tosok Corporation wholly owned subsidiaries of the Company, whose treasury stocks were issued by allocating a share exchange ratio calculated by a third-party institution.
2. The transaction was aimed to make Nidec Tosok Corporation a wholly owned subsidiary of the Company, whose treasury stocks were issued by allocating a share exchange ratio calculated by a third-party institution.
3. The transaction amount was calculated based on the acquisition price (actual value of the issued stocks) of Nidec Copal Corporation's and Nidec Tosok Corporation's stocks.
4. The ratio of owning voting rights, etc. (in possession) is as of the end of the fiscal year, and the voting rights obtained via the share exchange are included.

2. Subsidiaries, etc.

Category	Company name	Voting ratio (possessing/ being possessed)	Relationship		Detail of business	Transaction amount (In ¥1 million)	Account title	Balance at the end of term (in million) ¥1
			Concurrent officers	Relationship with concerned personnel				
Subsidiary	Nidec Electronics (Thailand) Co., Ltd.	Direct: 99.9%	3	Royalty contract	Royalty income	7,353	Accounts receivable – trade	9,166
					Inter-company transfer pricing adjustment	5,486	and other	135
				Purchase of products from Nidec Electronics (Thailand) Co., Ltd.	Purchase of motors	37,081	Accounts payable-trade	6,580
Subsidiary	Nidec Singapore Pte. Ltd.	Direct: 100.0%	2	Sales of the Company's products	Sales of motors	57,610	Accounts receivable – trade	16,704

Category	Company name	Voting ratio (possessing/ possessed)	Relationship		Detail of business	Transaction amount (In ¥1 million)	Account title	Balance at the end of term (in million) ¥1
			Concurrent officers	Relationship with concerned personnel				
Subsidiary	Nidec (H.K.) Co., Ltd.	Direct: 100.0%	2	Sales of the Company's products	Sales of motors	28,235	Accounts receivable – trade	8,892
Subsidiary	Nidec Philippines Corporation	Direct: 99.9%	2	Purchase of Nidec Philippines' products	Purchase of motors	25,201	Accounts payable-trade	4,063
Subsidiary	Nidec Sankyo Corporation	Direct: 100.0%	4	Receiving deposits	Receiving deposits CMS transaction (repayment)	1,139 3,397	Deposits	17,432
Subsidiary	Nidec Tosok Corporation	Direct: 100.0%	5	Loaning funds	Loaning funds CMS transaction (deposit)	353 5,131	Short-term loans receivable from subsidiaries and affiliates	7,650
Subsidiary	Nidec Techno Motor Corporation	Direct: 100.0%	5	Loaning funds	CMS transaction (recovery)	7	Short-term loans receivable from subsidiaries and affiliates	8,616
Subsidiary	Nidec Motor Holdings Corporation	Direct: 100.0%	4	Loaning funds	Loaning funds	441	Short-term loans receivable from subsidiaries and affiliates	7,062
Subsidiary	Nidec Electronics GmbH	Indirect: 100.0%	2	Sales of the Company's products	Sales of motors	24,928	Accounts receivable – trade	11,292
Subsidiary	Nidec Automobile Motor (Zhejiang) Corporation	Direct: 76.9% Indirect: 23.0%	3	Purchase of Nidec Automobile Motor (Zhejiang) Corporation's products	Purchase of motors	27,083	Accounts payable-trade	2,461
Subsidiary	Nidec Seimitsu Corporation	Direct: 100.0%	3	Loaning funds	Loaning funds CMS transaction (recovery)	6,741 5,974	Short-term loans receivable from subsidiaries and affiliates	9,208

Notes:

1. The consumption tax is not included in the “Transaction amount” section, but it is included in the “Balance at the end of term” section.
2. Business conditions and policy to determine them, etc.: The above business conditions for each company are based on the Company’s purchase and sales management regulations, which are the same as the ones for other customers.
3. The lending and borrowing interests to the above companies were reasonably decided based on the contract that considers the interest rate at the market.
4. The Company is using a cash management system (CMS), and, to express the Company’s CMS transactions clearly, the amounts from business transactions described herein are on the net basis.

VII. Notes on per-share information

- | | |
|----------------------------------|---------|
| 1. Net assets per share: | ¥836.70 |
| 2. Current net income per share: | ¥19.07 |

Note: Nidec Corporation implemented a two-for-one split of its common stocks as of April 01, 2014, the per-share information was calculated assuming that the split took place at the beginning of the fiscal year.

VIII. Notes on important post-balance sheet events

1. Share split

The Company split its common stocks on a two-for-one basis on April 01, 2014, based on the resolution of the meeting of its Board of Directors on March 08, 2014.

1. Purpose	Lower the price per investment unit via stock split to make the Company's stocks more fluid and further expand the base of the Company's shareholders.
2. Splitting method	Using March 31, 2014 as a base date, each share owned by the shareholders either listed or recorded in the final shareholder registry of the day was split into two.
3. Increase in the number of shares due to the split.	Total number of outstanding stocks prior to the split: 145,075,080 Increase in the number of stocks due to the split: 145,075,080 Total number of outstanding stocks after the split: 290,150,160 Total number of issuable stocks after the split: 960,000,000
4. Effect to the per-share information	See "VII. Notes on per-share information."

2. Execution of Share Exchange Agreement with Nidec Copal Electronics Corporation

In their respective meetings of the Board of Directors held on April 22, 2014, Nidec Corporation ("the Company") and Nidec Copal electronics Corporation ("Nidec Copal electronics"), adopted a resolution to exchange shares to make Nidec Copal Electronics a wholly owned subsidiary of the Company, and executed a share exchange agreement with each other.

(1) Purpose	Further enhance Nidec Copal Electronics' ties with the Company, realize a Group business management based on an efficient and quick decision making, share the two companies' management resources with each other, and improve investment efficiency.
(2) Share acquisition method and period	The share exchange will be executed with the Company the wholly owning parent stock company and Nidec Copal Electronics a wholly owned subsidiary company. The Company will exchange its shares, in accordance with the simple share exchange procedure based on Article 796-3 of the Companies Act of Japan, without approval in a Meeting of Shareholders, while Nidec Copal Electronics will exchange its shares after obtaining approval in an Ordinary Meeting of Shareholders planned to be held on June 20, 2014, with an effective date of October 01, 2014.
(3) Share allocation ratio	0.138 share of the Company will be allocated per Nidec Copal Electronics' share. Should any material change be made to the conditions that are the basis of the calculation, the share allocation ratio may be changed after consultation between the two companies.
(4) Number of the Company' shares issued by this share exchange	Nidec expects to allocate 3,160,584 shares (tentative) of its common stock in the Share Exchange. Nidec intends to use shares of its common stock held in treasury, and does not intend to issue any new shares, for the Share Exchange. Nidec implemented a two-for-one split of its common stock, effective April 1, 2014. The number of Nidec shares allocated in the Share Exchange is calculated on a post-split basis.

3. Execution of Share Exchange Agreement with Nidec-Read Corporation

In their respective meetings of the Board of Directors held on April 22, 2014, the Company and Nidec-Read Corporation (“Nidec-Read”), adopted a resolution to exchange shares to make Nidec-Read a wholly owned subsidiary of the Company, and executed a share exchange agreement with each other.

(1) Purpose	Further enhance Nidec-Read’s ties with the Company, realize a Group business management based on an efficient and quick decision making, share the two companies’ management resources with each other, and improve investment efficiency.
(2) Share acquisition method and period	The share exchange will be executed with the Company the wholly owning parent stock company and Nidec-Read a wholly owned subsidiary company. The Company will exchange its shares, in accordance with the simple share exchange procedure based on Article 796-3 of the Companies Act of Japan, without approval in a Meeting of Shareholders, while Nidec-Read will exchange its shares after obtaining approval in an Ordinary Meeting of Shareholders planned to be held on June 17, 2014, with an effective date of October 01, 2014.
(3) Share allocation ratio	0.243 share of the Company will be allocated per Nidec-Read’s share. Should any material change be made to the conditions that are the basis of the calculation, the share allocation ratio may be changed after consultation between the two companies.
(4) Number of the Company’ shares issued by this share exchange	Nidec expects to allocate 1,421,513 shares (tentative) of its common stock in the Share Exchange. Nidec intends to use shares of its common stock held in treasury, and does not intend to issue any new shares, for the Share Exchange. Nidec implemented a two-for-one split of its common stock, effective April 1, 2014. The number of Nidec shares allocated in the Share Exchange is calculated on a post-split basis.

Audit Report from Accounting Auditor regarding Consolidated Financial Statements

Audit Report from Independent Auditors

May 14, 2014

To: The Board of Directors
Nidec Corporation

Kyoto Audit Corporation

Appointed Partner	Yukihiro	C.P.A.	Seal
Managing Partner	Matsunaga		
Appointed Partner	Takashi Kaji	C.P.A.	Seal
Managing Partner			
Appointed Partner	Tsuyoshi	C.P.A.	Seal
Managing Partner	Yamamoto		

We, Kyoto Audit Corporation, audited Nidec Corporation's consolidated financial statements (i.e., consolidated balance sheet, consolidated profit and loss statement, consolidated statements on shareholders' equity, and consolidated notes on consolidated statements) for its consolidated fiscal year (April 01, 2013 – March 31, 2014) based on Article 444-4 of the Companies Act of Japan.

Manager's responsibility for consolidated financial statements

It is the Manager's responsibility to prepare and properly present consolidated financial statements in accordance with the latter part of Article 120-2-1 of Corporate Accounting Rules, which permits partial deletion of items to be disclosed based on the requirement of the corporate accounting standards that are generally accepted as proper in the United States. This task includes establishing and operating internal controls that the Manager determines to be necessary to prepare and properly present consolidated financial statements that are free of material misstatements due to fraud or error.

Audit Corporation's responsibility

It is Kyoto Audit Corporation's responsibility to express its opinions on financial statements from an independent point of view based on the audit that it has performed. Kyoto Audit Corporation 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 Kyoto Audit Corporation'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 audit corporation 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 Manager as well as of the estimate performed by the Manager.

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

Opinion on the audit

Kyoto Audit Corporation acknowledges that the aforementioned consolidated financial statements, made with partial omission of the items to be disclosed based on the corporate accounting standards that are generally accepted in the United States in accordance with the latter part of Article 120-2-1 of Corporate Accounting Rules, properly describes, in all important points, the assets, profit, and loss of the period of such consolidated financial statements of the corporate group consisting of Nidec Corporation and its consolidated subsidiaries.

Conflict of interest

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

Audit Report from Accounting Auditor

Audit Report from Independent Auditors

May 14, 2014

To: The Board of Directors
Nidec Corporation

Kyoto Audit Corporation

Appointed Partner Managing Partner	Yukihiro Matsunaga C.P.A.	Seal
Appointed Partner Managing Partner	Takashi Kaji C.P.A.	Seal
Appointed Partner Managing Partner	Tsuyoshi Yamamoto C.P.A.	Seal

We, Kyoto Audit Corporation, audited Nidec Corporation's consolidated financial statements (i.e., consolidated balance sheet, consolidated profit and loss statement, consolidated statements on shareholders' equity, and consolidated notes on consolidated statements) for its 41st consolidated fiscal year (April 01, 2013 – March 31, 2014) based on Paragraph 2-1, Article 436 of the Companies Act of Japan.

Manager's responsibility for financial statements

It is the Manager's responsibility to prepare and properly present financial statements and their schedules in accordance with generally accounting standards in Japan. This task includes establishing and operating internal controls that the Manager 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.

Audit Corporation's responsibility

It is Kyoto Audit Corporation'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. Kyoto Audit Corporation 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 Kyoto Audit Corporation'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 audit corporation 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 Manager as well as of the estimate performed by the Manager.

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

Opinion on the audit

Kyoto Audit Corporation 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 of the corporate group consisting of Nidec Corporation and its consolidated subsidiaries.

Important points to emphasize

1. As described in Note 2 of important post-balance sheet events in "VIII. Notes to the non-consolidated financial statements," Nidec Corporation and Nidec Copal Electronics Corporation ("Nidec Copal Electronics") respectively resolved, in the meeting of the Board of Directors of each company held on April 22, 2014, to exchange their shares to make Nidec Copal Electronics a wholly owned subsidiary of Nidec Corporation, entered into a share purchase agreement.
2. As described in Note 3 of important post-balance sheet events in "VIII. Notes to the non-consolidated financial statements," Nidec Corporation and Nidec-Read Corporation ("Nidec-Read"), after deliberation at the respective companies' meeting of the Board of Directors held on April 22, 2014, resolved for Nidec Corporation to make Nidec-Read a wholly owned subsidiary, and Nidec Corporation entered into a share exchange agreement with Nidec Tosok on the same day.

This matter will not affect in any way the opinions of Kyoto Audit Corporation.

Conflict of interest

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

Audit Report of the Audit & Supervisory Board

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 41st financial year (April 01, 2013 - March 31, 2014) 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

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 Auditors on the execution of their duties, and requested an explanation as necessary.

Each Audit & Supervisory Board Member, in compliance with the auditor's audit standard and FY2011's audit policies and plan, communicated with members to the Board of Directors and employees, etc. of internal auditing and other departments, gathered information, and tried to establish appropriate environments. 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. 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 100-1 and -3 of the Enforcement Regulations of the Companies Act as something necessary to ensure the proper execution of a corporation (including a system to ensure that the execution of the duties described in the Business Report of the members to the Board of Directors complies with laws, regulations, and the Articles of Incorporation). Each Audit & Supervisory Board Member communicated and exchanged information with members to the Boards of Directors and Auditors, etc. of the Company's subsidiaries, and received business reports from them as necessary. Each Audit & Supervisory Board Member then deliberated the business reports and its annexed detailed statements for the fiscal year based on the aforementioned methods.

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 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 balance sheet, the consolidated profit and loss statement, the consolidated statements on shareholders' equity, and the notes on the consolidated statements) for the fiscal year based on the aforementioned methods.

2. Audit result

(1) Business report and other documents

- a. 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.
- b. 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.
- c. 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 Board of Auditors 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, Kyoto Audit Corporation, are appropriate.

(3) Consolidated financial statements

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

May 15, 2014

The Audit & Supervisory Board, Nidec Corporation

Ryuichi Tanabe	Standing Auditor (Outside)	Seal
Osamu Narumiya	Standing Auditor	Seal
Tetsuo Inoue	Standing Auditor	Seal
Chihiro Suematsu	Auditor (Outside)	Seal
Kiichiro Kobayashi	Auditor (Outside)	Seal

Reference Document for the General Meeting of Shareholders

Proposal No. 1: Partial amendment of the Article of Incorporation

A. Reason for the amendment:

Change in the appointable number of Vice Chairman of Board of Directors of the Company to strengthen the Company's management system.

B. Description:

Please see below.

(The proposed change is underlined.)

Current provision	Proposed provision
Representative and Executive Directors	Representative and Executive Directors
Article 20:	Article 20:
1) The Board of Directors shall appoint Representative Directors from among the directors.	1) The Board of Directors shall appoint Representative Directors from among the directors.
2) By resolution of the Board of Directors, the Company may appoint one board Chairman, <u>one</u> board Vice Chairman, one President and one or more Executive Vice Presidents, First Senior Vice Presidents, and Vice Presidents.	2) By resolution of the Board of Directors, the Company may appoint one board Chairman, <u>one or more board Vice Chairmen</u> , one President and one or more Executive Vice Presidents, First Senior Vice Presidents, and Vice Presidents.

Proposal No. 2: Appointment of 12 candidates to the Board of Directors

This Proposal is, as the terms of all of the current 11 members to the Board of Directors expire at the end of this General Meeting of Shareholders, to increase the number of Directors by one, and select the following 12 candidates as the members to the Company's Board of Directors, to enhance the Company's board performance.

Candidate number	Name Date of birth	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares in possession
1	Shigenobu Nagamori August 28, 1944	Jul. 1973: Founds Nidec Corporation Representative Director and Chairman, President, and Chief Executive Officer (CEO) (current position) [Important positions held in Group companies] Member of the Board of Directors and Chairman of: Nidec Sankyo Corporation Nidec Copal Electronics Corporation Nidec-Shimpo Corporation Nidec-Read Corporation	12,635,996
2	Bunsei Kure May 20, 1956	Apr. 1979: The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) May 2003: President and CEO, GE Financial Service Co, Ltd. Jun. 2008: Representative Director, President & CEO, Calsonic Kansei Corporation Apr. 2013: Special Adviser, Nidec Corporation Jun. 2013: Member of the Board of Directors and Executive Vice President (current position) [Important positions held in Group companies] Representative Member of the Board of Directors and Chairman of: Nidec Techno Motor Corporation Nidec Tosok Corporation Nidec Elesys Corporation Nidec Motor Holdings Corporation Member of the Board of Directors and Chairman of: Nidec ASI S.p.A. Nidec US Holdings Corporation Nidec Motor Corporation	434
3	Hiroshi Kobe March 28, 1949	Jul. 1973: Participates in founding of Nidec Corporation Mar. 1982: General Manager, Sales Dept. Nov. 1984: Member of the Board of Directors Nov. 1991: Member of the Board of Directors and Senior Vice President	236,817

		<p>Apr. 1996: Member of the Board of Directors and First Senior Vice President</p> <p>Apr. 2000: Member of the Board of Directors and Executive Vice President</p> <p>Apr. 2005: Chief Operating Officer (current position)</p> <p>Jun. 2006: Representative Member of the Board of Directors and Executive Vice President</p> <p>Jun. 2008: Representative Director and Executive Vice President (current position)</p> <p>[Important positions held in Group companies]</p> <p>Representative Member of the Board of Directors and Chairman of:</p> <p>Nidec Servo Corporation</p> <p>Nidec Logistics Corporation</p> <p>Nidec Global Service Corporation</p>	
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Candidate number	Name Date of birth	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares in possession
4	Akira Sato November 02, 1954	<p>Apr. 1977: Nissan Motor Co., Ltd. Apr. 2002: Executive Director, Nissan Jan. 2012: Joins Nidec Corporation as First Senior Vice President Jun. 2012: Member of the Board of Directors and First Senior Vice President Apr. 2013: Member of the Board of Directors and Executive Vice President (current position)</p> <p>[Important positions held in Group companies] Representative Member of the Board of Directors and Chairman of: Nidec Copal Corporation</p>	1,144
5	Tadaaki Hamada August 14, 1948	<p>Apr. 1971: The Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Feb. 2000: Nidec Corporation Apr. 2003: General Manager, International Business Administration (IBA) Dept. Jun. 2004: Member of the Board of Directors Apr. 2005: Senior Vice President Jun. 2008: Member of the Board of Directors and Senior Vice President Jun. 2009: Member of the Board of Directors and First Senior Vice President (current position)</p>	4,425
6	Masuo Yoshimatsu April 28, 1958	<p>Apr. 1982: Mitsubishi Electric Co. Dec. 2000: Member of the Board of Directors and General Manager, Accounting and Finance Div., Sun Micro Systems, Inc. Jul. 2003: Vice President and General Manager, Finance Dept., Nippon Boehringer Ingelheim Co., Ltd. Oct. 2004: Member of the Board of Directors and General Manager, Finance and Accounting Div., SSP Co., Ltd. Jan. 2008: Joins Nidec Corporation as Executive Consultant Jun. 2008: Member of the Board of Directors and Vice President Jun. 2009: Member of the Board of Directors, Senior Vice President and Chief Financial Officer (CFO)</p>	3,684

		(current position) Apr. 2013: Member of the Board of Directors and First Senior Vice President (current position) [Important positions held in Group companies] Member of the Board of Directors and Chairman of: Nidec Management Shanghai Corporation	
7	Toshihiko Miyabe* June 16, 1958	Apr. 1983: Nidec Corporation Apr. 2006: Representative member of the Board of Directors and President, Nidec Philippines Corporation Jun. 2008: Vice President Apr. 2011: Senior Vice President Jun. 2012: Member of the Board of Directors and Senior Vice President Jun. 2013: Senior Vice President (current position) [Important positions held in Group companies] Member of the Board of Directors and Chairman of: Nidec electronics (Thailand) Co., Ltd. Nidec Philippines Corporation Nidec Subic Philippines Corporation Nidec (Zhejiang) Corporation	4,828

Candidate number	Name Date of birth	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares in possession
8	Kazuya Hayafune October 17, 1959	<p>Apr. 1988: Joins Mitsubishi Motor Corporation Aug. 2010: Joins Nidec Corporation as Adviser Oct. 2010: Vice President Apr. 2012: Senior Vice President Jan. 2013: First Senior Vice President Jun. 2013: Member of the Board of Directors and First Senior Vice President (current position)</p> <p>[Important positions held in Group companies] Representative Member of the Board of Directors, Chairman & CEO of: Nidec Electronics GmbH Member of the Board of Directors and Chairman of: Nidec Automobile Motor (Zhejiang) Corporation Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd. Nidec Automotive Motor Americas</p>	773
9	Toshiaki Otani* August 14, 1956	<p>Apr. 1980: Nissan Motor Co., Ltd. Apr. 2010: Vice President Apr. 2012: Senior Vice President Apr. 2014: First Senior Vice President, Nidec Corporation (current position)</p>	0
10	Mutsuo Tahara* April 23, 1943	<p>Apr. 1969: Attorney, Ryuzo Doku Law Firm Apr. 1975: Attorney, Showa Law Office May 1998: Attorney, Habataki Law Office Mar. 2006: Outside Member of the Board of Directors, SG Holdings Co., Ltd. November 2006: Judge, the Supreme Court of Japan Jun. 2013: Special Advisor to Habataki Law Office (current position)</p>	0
11	Kiyoto Ido* October 30, 1950	<p>Apr. 1973: Ministry of Finance of Japan Mar. 1980: Japanese Consulate General in Frankfurt, West Germany Jul. 1989: Deputy General Manager, Inter-American Development Bank's Finance Bureau Jun. 1993: Manager of the Japanese Ministry of Finance's Finance Bureau Jul. 1998: Counselor, Minister's Secretariat (Deputy Vice Minister) and Assistant Vice-Minister, Minister's Secretariat (in charge of International Bureau) Jun. 1999: Minister for the Japanese Ministry of Foreign Affairs of the Embassy of Japan in the USA Jul. 2002: Minister for the Japanese Ministry of Foreign Affairs of the Embassy of Japan in the USA</p>	0

		<p>Jan. 2003: Deputy Minister, International Bureau</p> <p>Jul. 2004: Director General, International Bureau of the Ministry</p> <p>Aug. 2006: Director of the Bank of Japan, Ltd.</p> <p>Apr. 2011: Deputy Director of the Institute for International Economic Studies (IIES) (current position)</p>	
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Candidate number	Name Date of birth	Past experience, positions and responsibilities (Significant concurrent positions)	Number of the Company's shares in possession
12	Noriko Ishida August 30, 1948	<p>Apr. 1976: Attorney, Osaka Bar Association</p> <p>Apr. 1981: Chairperson, Ishida Law Firm (currently, Lion Bashi Law Firm) (current position)</p> <p>Apr. 2001: Deputy Chairperson, Osaka Bar Association</p> <p>Oct. 2008: Chairperson, Osaka City Council for the Promotion of Human Rights Policies</p> <p>Apr. 2010: Executive Board Member, Japan Federation of Bar Associations</p> <p>May 2010: Refugee Examination Counselor</p> <p>Jun. 2012: Outside Member of the Board of Directors, Nidec Corporation (current position)</p> <p>Apr. 2014: Chairperson, Osaka Bar Association (current position)</p> <p>Apr. 2014: Deputy Chairperson, Japan Federation of Bar Associations (current position)</p>	0

Notes:

1. No particular conflict of interests exists between any of these candidates to the Board of Corporate Auditors and the Company.
2. The information on the candidates to the positions as Outside Members to the Company's Board of Directors is as follows:
 - (1) Messrs. Mutsuo Tahara and Kiyoto Ido and Ms. Noriko Ishida are the candidates to the positions of Outside Members to the Company's Board of 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) Reasons for selecting the above two persons as candidates to the positions of outside members to the Company's Board of Directors:
 We are proposing Mr. Mutsuo Tahara to be selected as an Outside Member to the Company's Board of Directors because we believe that Mr. Tahara, who has worked as Judge in the Supreme Court of Japan, with his high-level expertise, based on long years of experience as an attorney, would be able to provide the Company with advice on the Company's overall business matters, and that such advice would further enhance the Company's corporate governance function.
 We are proposing Mr. Kiyoto Ido to be selected as an Outside Member to the Company's Board of Directors because we believe that Mr. Ido, who has been at various important posts at the Ministry of Finance of Japan and other organizations, with his high-level expertise, would be able to provide the Company with advice on the Company's overall business matters, and that such advice would further enhance the Company's corporate governance function.
 We are proposing Ms. Noriko Ishida to be selected as an Outside Member to the Company's Board of Directors because we believe that Ms. Ishida, who has worked at important posts at Japan Federation of Bar Associations, would be able

to provide the Company with advice on the Company's overall business matters based on long years of experience as an attorney, and that such advice would further enhance the Company's corporate governance function.

- (3) Ms. Noriko Ishida, who is currently serving as an Outside Member of the Company's Board of Directors, will have worked at the post for two years as of the end of this Ordinary Meeting of Shareholders.
- (4) Contract for limitation of liability
The Company executed a contract for limitation of liability with Ms. Noriko Ishida, and intends to extend this contract if her re-appointment is approved. If the appointments of Messrs. Tahara and Ido are approved, the Company intends to execute a contract for limitation of liability with them. The contract's outlines are as follows:
 - Should any Outside Member to the Company's Board of Directors 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 limitation of liability shall be 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 outside member to the Company's Board of Directors.
3. Asterisks (*) denote the names of new candidates.
4. The "Number of the Company's shares in possession" indicates the number of shares held by each candidate for the Board of Directors as of March 31, 2014, prior to the stock split implemented on April 01, 2014.

Proposal No. 3: Appointment of one candidate to the Audit & Supervisory Board

This Proposal is, as Messrs. Chihiro Suematsu and Kiichiro Kobayashi will resign from office after their terms expire as the members of the Company's Audit & Supervisory Board Member at the end of this General Meeting of Shareholders, to select the following candidate as a new Member to the Company's 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:

Name Date of birth	Past experience and positions (Significant concurrent positions)	Number of the Company's shares in possession
Ikuo Nishikawa* July 01, 1951	Oct. 1974: EIKO Certified Public Tax Accountant's Corporation (currently, Ernst & Young ShinNihon LLC) Sep. 1990: Representative Partner of Century Audit Corporation (currently, Ernst & Young ShinNihon LLC) Jul. 1995: Executive Director of the Japanese Institute of Certified Public Accountants Aug. 2001: Deputy Chairman of Accounting Standards Board of Japan Apr. 2007: Chairman of the Board Apr. 2012: Professor, Faculty of Business & Commerce of Keio University (current position)	0

Notes:

1. No particular conflict of interests exists between any of these candidates to the Audit & Supervisory Board and the Company.
2. The information on the candidate to the position as Outside Member to the Company's Audit & Supervisory Board is as follows:
 - (1) Mr. Ikuo Nishikawa is the candidate to the position of Outside Member to the Company's Audit & Supervisory Board, who the Company believes has the capacity to fully perform his 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) Reason for selecting the above person as a candidate to the position of Outside Member to the Company's Audit & Supervisory Board:
We are proposing Mr. Nishikawa to be selected as an Outside Member to the Company's Audit & Supervisory Board because we believe that Mr. Nishikawa, who has worked at various posts such as Chairman of Financial Accounting Standards Foundation's Accounting Standards Board of Japan, with his high-level expertise, would be able to provide the Company with advice on the Company's overall business matters from an independent party's viewpoint, and that such advice would further enhance the Company's corporate governance function.
 - (3) Contract for limitation of liability
If the appointment of Mr. Nishikawa is approved, the Company intends to execute a contract for limitation of liability with him. The contract's outlines are as follows:

- Should any Outside Member to the Company's Audit & Supervisory Board owe the Company any liability in damages as a result of his/her negligence to perform his 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 limitation of liability shall be 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 Outside Member to the Company's Audit & Supervisory Board.
3. The asterisk (*) denotes the names of new candidates.
 4. The "Number of the Company's shares in possession" indicates the number of shares held by each candidate for the Audit & Supervisory Board as of March 31, 2014 prior to the stock split implemented on April 01, 2014.

Proposal No. 4: Appointment of two alternative candidates to the Audit & Supervisory Board

This Proposal is, in anticipation of absence of any statutory Member to the Company's Audit & Advisory Board, to select the following two candidates as alternative members to the Company's Audit & Supervisory Board, with Mr. Susumu Ono ranked first, and Mr. Chihiro Suematsu ranked second. The consent of the Company's Audit & Supervisory Board has already been granted concerning this Proposal. The candidates for the positions of alternative Members to the Company's Audit & Supervisory Board are as follows:

Candidate Number	Name Date of birth	Past experience and positions (Significant concurrent positions)	Number of the Company's shares in possession
1	Susumu Ono* November 12, 1948	<p>Apr. 1974: Prosecutor, Osaka District Public Prosecutor's Office</p> <p>Apr. 1983: Seconded to the Ministry of Foreign Affairs of Japan to serve as First Secretary at the Japanese Embassy in the People's Republic of China</p> <p>Apr. 1988: Prosecutor, Osaka District Public Prosecutor's Office</p> <p>Apr. 1995: Deputy General Manager, Criminal Investigations Department, Osaka District Public Prosecutor's Office</p> <p>Jul. 1996: General Manager, Criminal Investigations Department, Kyoto District Public Prosecutor's Office</p> <p>Apr. 1998: General Manager, General Affairs Department, Osaka District Public Prosecutor's Office</p> <p>May 1999: Registered attorney, establishes Susumu Ono Law Office (current position)</p> <p>Jun. 2004: Outside Member of Audit & Supervisory Board, GemCEREY CORPORATION (current position)</p> <p>Jun. 2007: Outside Member of the Audit & Supervisory Board, Nidec Corporation</p> <p>Sep. 2008: Outside Member of the Audit & Supervisory Board, World Logi Co., Ltd.</p>	0
2	Chihiro Suematsu* January 29, 1956	<p>Nov. 1985: McKinsey & Company</p> <p>Dec. 1988: Representative Director & President, Advanced Consulting Network, Inc.</p> <p>Apr. 2001: Assistant Professor, Kyoto University Graduate School of Economics</p> <p>May 2005: Professor, economics, Kyoto University Graduate School of Economics (current position)</p> <p>Apr. 2006: Professor, economics, at Kyoto University Graduate School of Management and Graduate School of Economics (current position)</p> <p>Aug. 2006: Outside Member of the Board of Directors, Zero-Sum, Ltd. (current position)</p>	0

		Jun. 2010: Outside Member of the Audit & Supervisory Board, Nidec Corporation (current position)	
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Notes:

1. No particular conflict of interests exists between any of these alternative candidates to the Audit Supervisory Board and the Company.
2. The information on the alternative candidates to the positions as Outside Members to the Company's Audit & Supervisory Board is as follows:
 - (1) Messrs. Susumu Ono and Chihiro Suematsu are alternative candidates to the Audit Supervisory Board of the Company, 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) Reasons for selecting the above persons as alternative candidates to the position of Outside Member to the Company's Audit & Supervisory Board:
 We are proposing Mr. Ono to be selected as an alternative Outside Member to the Company's Audit & Supervisory Board because we believe that Mr. Ono, who has long worked as an attorney, with his experience and expertise, would be able to secure a sound corporate business management, further enhance the Company's corporate governance function, and audit the legality of work execution, etc.
 We are proposing Mr. Suematsu to be selected as an alternative Outside Member to the Company's Audit & Supervisory Board because we believe that Mr. Suematsu, with his high-level expertise based on his career as a university professor, would be able to audit the Company's businesses and further enhance the Company's corporate governance function.
 - (3) Mr. Chihiro Suematsu, currently an Outside Member to the Company's Audit & Supervisory Board, will have worked as such for four years as of the end of this Meeting of Shareholders.
 - (4) Contract for limitation of liability
 If the aforementioned appointment of Mr. Susumu Ono is approved, the Company intends to execute a contract for limitation of liability with them. In addition, if the aforementioned appointment of Mr. Chihiro Suematsu, with whom the Company already has a contract for limitation of liability, is approved, the Company intends to execute a new such contract with him. The contract's outlines are as follows:
 - Should any Outside Member 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 limitation of liability shall be 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 Outside Member to the Company's Audit & Supervisory Board.
3. Asterisks (*) denote the names of new candidates.
4. The "Number of the Company's shares in possession" indicates the number of shares held by each candidate for the Audit & Supervisory Board as of March 31, 2014, prior to the stock split implemented on April 01, 2014.

[Exercising voting rights via the Internet]

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

1. 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] <http://www.web54.net>

*Note: With a barcode-reading mobile phone, access to the website is possible by reading the QR code on the right. Please see the instructions for your mobile phone for details on bar code reading (QR code is a registered trademark of Denso Wave Inc.).



2. If you wish to exercise your voting rights online, please use the voting code and password detailed on the voting form enclosed and follow the screen instructions to register your votes on the resolutions.
3. You can exercise your voting rights on the Internet until 05:30p.m. on Tuesday, June 17, 2014. However, in light of the need to tally all voting results, we respectfully ask that you conduct your voting early enough.
4. If voting is conducted both in writing and online, the online vote will be regarded as effectively exercised voting rights.
5. If voting is conducted multiple times, or if voting is conducted both by PC and by mobile phone, the vote given last will be regarded as effectively exercised voting rights.
6. 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.

[System environment required to exercise voting rights by the Internet]

The following system environments are required for the use of the Company's voting website:

1. Access to the Internet
2. For voting with a PC, use of Microsoft® Internet Explorer 5.01 SP2 or a higher version as the Internet browser software. The hardware must be able to use the aforementioned Internet browser.
3. For voting with a mobile phone, the ability of the phone to perform 128bit SSL communication (encrypted communication).
(To ensure security, voting rights can only be exercised via mobile phones that can perform 128bit SSL communication (encrypted communication), therefore some mobile phone types may not be useable for the voting.)

(Microsoft is a trademark of Microsoft Corporation, registered in the United States and other countries.)

[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 Trust & Banking Co., Ltd.

Dedicated phone number: 0120-652-031 (09:00 a.m. - 09:00 p.m.)

Other inquiries: 0120-782-031 (09:00 a.m. - 05:00 p.m. on weekdays)

[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 of administrative trust banks (including their standing proxies) can, if applying in advance, use the platform for exercising voting rights operated by ICJ, a joint venture and business corporation established by Tokyo Stock Exchange Group, Inc. and other companies.