



FOR IMMEDIATE RELEASE

Nidec Corporation

New York Stock Exchange symbol: NJ
Stock exchange code (Tokyo, Osaka): 6594

Contact:

Hiroshi Toriba
Senior General Manager
Investor Relations
+81-75-935-6140
HIROSHI_TORIBA@notes.nidec.co.jp

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Nidec Received a Correction Notice Based on Transfer Price Taxation

Nidec Corporation (the “Company”) announced today that it received a correction notice from the Osaka Regional Taxation Bureau based on transfer price taxation, pursuant to the taxation bureau’s determination that the Company’s transfer pricing with its overseas subsidiaries with respect to transactions during the five years ended March 31, 2005 was different from what the arms’-length transaction pricing between independent companies would be. According to the notice, taxable income subject to the correction amounts to approximately 6.9 billion yen, and additional tax, including local tax, is estimated to amount to approximately 3.3 billion yen.

The Company firmly believes that its transaction prices with its overseas subsidiaries were appropriate, and that the Company and its overseas subsidiaries have paid proper amounts of taxes in accordance with the relevant tax laws and regulations of each country. Accordingly, the Company strongly regrets that it is subject to, and it strongly disagrees with, this correction action by the taxation bureau. The Company intends to immediately file an appeal against this correction action with the taxation authorities, and advocate its position in the course of fair procedures including bilateral consultations with the relevant countries. Through this process, the Company firmly believes that it will be able to bring about a satisfactory conclusion to this matter.

Regarding the impact of this matter on the Company’s results of operations for the current fiscal year, although the Company will account for the provision of additional tax payment in the current fiscal year on a non-consolidated basis, it will not change the forecast of its consolidated results of operations.

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NIDEC CORPORATION

CORPORATE OFFICE: 338 TONOSHIRO-CHO, KUZE, MINAMI-KU, KYOTO 601-8205 JAPAN
PHONE: KYOTO +81-75-935-6140 FAX: +81-75-935-6141
URL: <http://www.nidec.co.jp/english/index.html>