

Securities Code: 6594  
June 04, 2012

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 Regular General Meeting of Shareholders for the 39th Fiscal Year**

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

Please be informed that the Company’s Regular General Meeting of Shareholders for the 39th fiscal year (“the Meeting”) will be held in accordance with the following schedule.

Even if you are unable to attend the Meeting, you will be able to 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 under 4 on this page, exercise your voting rights by 05:30 p.m. on Monday, June 25, 2012. Thank you.

1. Time & Date: 10:00 a.m. on Monday, June 26, 2012
2. Place: Shunju-no-Ma (Hall of Spring and Autumn), Second Floor, Rihga Royal Hotel  
Kyoto  
1 Taimatsu-cho, Shiokoji-sagaru, HigashiHorikawa-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 board of auditors for the 39th fiscal year (the fiscal year ended March 31, 2012)
  2. The financial statements for the 39th fiscal year (the fiscal year ended March 31, 2012)

Proposals:

1. Appointment of nine candidates to the Board of Directors
2. Appointment of one candidate to the Board of Auditors

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 Monday, June 25, 2012.

(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 52, and exercise your voting rights by 05:30 p.m. on Monday, June 25, 2012.

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.co.jp/index.html>).

Operating and Financial Review and Prospects

(Fiscal Year ended March 31, 2012)

I. Current circumstance of the Nidec Group

1. Business update and result

(1) Overview of Business Environment in Fiscal Year ended March 31, 2012 ("this fiscal year") Compared to the Fiscal Year ended March 31, 2011 ("the previous fiscal year")

In the fiscal year ended March 31, 2012, the global economy experienced a series of adverse events, starting with the Great East Japan Earthquake negatively affecting the supply chains of companies across various industries, followed by the European financial crisis deteriorating into a global economic recession, which adversely impacted wider markets including newly emerging economies, and the flooding in Thailand severely disrupting the supply chains of many manufacturers again.

Nevertheless, towards the end of the fiscal year, the global economy seemed to start showing some signs of recovery in light of the recent positive developments, including the progress made in the measures designed to improve the economic conditions in Europe and the recovery efforts in response to the natural disasters.

We were negatively affected by the disruptions to the supply chains due to the Great East Japan Earthquake and the flooding in Thailand, the appreciation of the yen and other Asian currencies against the U.S. dollar and other currencies, and the surge in costs of rare earth and other raw materials during the fiscal year ended March 31, 2012. In response, we implemented measures designed to quickly respond to the adverse effects of these events.

As a result, consolidated net sales increased ¥6,332 million, or 0.9%, to ¥682,320 million for this fiscal year compared to the previous fiscal year. Operating income decreased ¥19,799 million, or 21.3%, to ¥73,070 million for this fiscal year compared to the previous fiscal year. Income from continuing operations before income taxes decreased ¥11,110 million, or 13.6%, to ¥70,856 million for this fiscal year compared to the previous fiscal year, and net income attributable to Nidec Corporation decreased ¥11,602 million, or 22.2%, to ¥40,731 million for this fiscal year compared to the previous fiscal year.

With partial business withdrawal from the "small precision motors" and "electronic and optical components" categories, the net sales of our business in these categories was retrospectively categorized as a net loss from discontinued operations, and thus excluded from the income/loss from continuing operations. Our net loss from discontinued operations is ¥7,768 million, while the excluded sales is ¥5.615 million, for this fiscal year.

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

Net sales of small precision motors decreased approximately ¥13,900 million, or 4%, to ¥305,186 million for this fiscal year compared to the previous fiscal year. This was mainly due to the appreciation of the Japanese yen and other Asian currencies against the U.S. dollar and the negative impact of the flooding in Thailand, partially offset by the positive effect of the sales of approximately ¥12,000 million at Nidec Seimitsu Corporation, which was newly consolidated on July 1, 2011. The appreciation of the Japanese yen and other Asian currencies against the U.S. dollar had a negative effect on our sales of small precision motors of approximately ¥23,100 million for this fiscal year compared to the previous fiscal year. The number of units sold and sales of small precision motors for hard disk drives ("HDDs") decreased approximately 3% and 10% for this fiscal year compared to the previous fiscal year, respectively. This decrease was mainly due to the negative impact of the flooding in Thailand on our manufacturing facilities and the supply chains for small precision motors for HDDs. Sales of spindle motors for 2.5-inch and 3.5-inch HDDs decreased approximately 6% and 14%, respectively, for this fiscal year compared to the previous fiscal year, reflecting the negative impact of the appreciation of the Japanese yen against the U.S. dollar. Although average unit prices of spindle motors increased approximately 1% on a U.S. dollar basis for this fiscal year compared to the previous fiscal year, average unit prices of spindle motors decreased approximately 7% on a Japanese yen basis for this fiscal year compared to the previous fiscal year, reflecting the 8% appreciation of the Japanese yen against the U.S. dollar. Although the number of units sold of spindle motors for 2.5-inch HDDs increased approximately 4% for this fiscal year compared to the previous fiscal year, the number of units sold of spindle motors for 3.5-inch HDDs decreased approximately 10% for this fiscal year compared to the previous fiscal year. Net sales of other small precision brushless DC motors decreased approximately 1% for this fiscal year compared to the previous fiscal year. With respect to Nidec Corporation and its direct-line subsidiaries, sales of other small precision brushless DC motors decreased approximately 11% for this fiscal year compared to the previous fiscal year. The 11% decrease in net sales of other small precision brushless DC motors was mainly due to the 8% appreciation of the Japanese yen against the U.S. dollar and a 5% decrease in the number of units sold for this fiscal year compared to the previous fiscal year. Net sales of brushless DC fans decreased approximately 10% for this fiscal year compared to the previous fiscal year. With respect to Nidec Corporation and its direct-line subsidiaries, sales of brushless DC fans decreased approximately 9% for this fiscal year compared to the previous fiscal year. The main reason for the 9% decrease in sales was the 8% appreciation of the Japanese yen against the U.S. dollar and a 3% decrease in the number of units sold for this fiscal year compared to the previous fiscal year.

Net sales of general motors increased approximately ¥41,000 million, or 30%, to ¥178,214 million for this fiscal year compared

to the previous fiscal year. Sales of general motors for home appliances and industrial use for this fiscal year increased approximately ¥30,000 million, or 32%, compared to the previous fiscal year, mainly reflecting the full year of sales for Nidec Motor Corporation, which we acquired in the second quarter of the prior year. Sales for Nidec Motor were approximately ¥33,400 million higher for this fiscal year compared to the previous fiscal year. Sales for Nidec Techno Motor Corporation decreased for this fiscal year compared to the previous fiscal year due mainly to inventory adjustments-related effects in the European and Asian markets and the negative effects of the flooding in Thailand. Sales of general motors for automobiles increased approximately ¥11,000 million, or 26%, for this fiscal year compared to the previous fiscal year. Within the “general motors for automobiles” product category, sales of general motors for electric power steering by Nidec Corporation and its direct-line subsidiaries increased approximately 68% for this fiscal year compared to the previous fiscal year.

Net sales of machinery decreased approximately ¥12,400 million, or 16%, to ¥64,904 million for this fiscal year compared to the previous fiscal year. The decrease in net sales was mainly due to a decrease in sales of such products as LCD panel handling robots at Nidec Sankyo of approximately ¥7,600 million, or 23%, a decrease in sales of such products as electronic circuit testing systems for digital equipment at Nidec-Read of approximately ¥3,100 million, or 24%, a decrease in sales at Nidec-Kyori of approximately ¥1,500 million, or 17%, and a decrease in sales at Nidec Tosok of approximately ¥500 million, or 14%, for this fiscal year compared to the previous fiscal year. The decrease in net sales was partially offset by an increase in sales of such products as peripheral equipment for chip mounters at Nidec Copal of approximately ¥900 million, or 17%, for this fiscal year compared to the previous fiscal year.

Net sales of electronic and optical components decreased approximately ¥12,100 million, or 11%, to ¥95,580 million for this fiscal year compared to the previous fiscal year. The decrease was mainly due to a decrease in sales of such products as shutters and unit components at Nidec Copal of approximately ¥7,600 million, or 15%, primarily as a result of the disruptions to our manufacturing facilities and the supply chains of manufacturers of digital cameras and mobile phones caused by the flooding in Thailand, a decrease in sales of such products as control device units for home appliances at Nidec Sankyo of approximately ¥3,600 million, or 12%, mainly because of the disruptions to the supply chains caused by the flooding in Thailand, and a decrease in sales of electronic components, including circuit components and sensors, at Nidec Copal Electronics of approximately ¥900 million, or 3%, for this fiscal year compared to the previous fiscal year.

Net sales of other products increased approximately ¥3,800 million, or 11%, to ¥38,436 million for this fiscal year compared to the previous fiscal year. This was primarily due to an increase in sales of automotive parts at Nidec Tosok of approximately ¥4,200 million, or 16%, for this fiscal year compared to the previous fiscal year, resulting from recovering demand for such parts in China and Europe. The increase in net sales of other products were partially offset by a decrease in sales of pivot assemblies for HDDs of approximately ¥1,100 million, or 65%, for this fiscal year compared to the previous fiscal year.

## 2. Financing and capital investment

### (1) Financing

During this fiscal year, our Board of Directors declared a domestic commercial paper program up to ¥100,000 million to accommodate the diversifying financing methods and enable low-interest financing. The amount of loan, corporate bond, and commercial papers as of the end of the fiscal year ended March 31, 2012 was ¥187,210 million.

### (2) Capital investment

The capital investment during this consolidated fiscal year totaled to ¥41,446 million, mainly for the investment for new product R&D equipment and energy and business efficiency improvement. In addition, investment was made as part of the recovery efforts from the Thailand flooding, which incurred a ¥13,730 million loss to buildings, equipment and machinery, and other fixed assets.

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

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

Category	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales (Yen in millions)	592,794	571,552	675,988	682,320
Operating income (Yen in millions)	52,773	79,282	92,869	73,070
Net income attributable to Nidec Corporation (Yen in millions)	28,353	51,961	52,333	40,731
Net income attributable to Nidec Corporation per share (Yen)	197.42	373.04	375.91	296.25
Total assets (Yen in millions)	702,884	692,791	748,205	800,401
Nidec Corporation shareholders' equity (Yen in millions)	297,148	340,309	355,250	370,182
Nidec Corporation shareholders' equity per share (Yen)	2,133.27	2,443.16	2,565.32	2,705.32

Notes:

- Figures are rounded off to the nearest one million.
- 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.
- The "net income attributable to shareholders per share" and the "shareholders' equity per share" are calculated based on the "average number of shares issues and outstanding" and the "number of shares issued and outstanding as of the end of the fiscal year" respectively.
- In accordance with the US GAAP, part of the consolidated financial information of the past fiscal year concerning discontinued businesses is reclassified and presented.

(2) Assets, profits and losses of Nidec Corporation

Category	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Sales (Yen in millions)	134,324	144,410	146,740	146,965
Ordinary income (Yen in millions)	25,119	30,740	22,318	15,899
Net income (Yen in millions)	21,669	31,667	21,983	29,358
Net income per share - basic (Yen)	150.88	227.34	157.91	213.53
Total assets (Yen in millions)	466,817	405,958	447,220	488,939
Net assets (Yen in millions)	212,584	237,777	242,305	248,897
Net assets per share (Yen)	1,526.17	1,707.05	1,749.73	1,818.96

Notes:

- Figures are rounded off to the nearest one million.
- The "net income attributable to shareholders per share" and the "shareholders' equity per share" are calculated based on the "average number of shares issues and outstanding" and the "number of shares issued and outstanding as of the end of the fiscal year" respectively.

4. Issues

The global economy still remains stagnant with uncertainties and negative factors lingering, including the European debt crisis and currency exchange fluctuations, while some signs of improving trends seem to be emerging, led by the growth of newly emerging economies.

Under these circumstance, the Nidec Group continues to seek to uphold the following three management goals and principles as we tackle various business issues:

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

To be specific, we have launched a business strategy, "Vision 2015," pursuant to which we aim to achieve a target sales level of ¥2 trillion in the fiscal year ending March 31, 2016. To achieve these targets, we plan to shift as promptly as possible from

our current business portfolio consisting primarily of small precision motors and other products to an improved and expanded business portfolio consisting of four core business lines—small precision motors, home appliance and industrial motors, automotive motors and other motors. As part of this effort, starting from the fiscal year ending March 31, 2013, we will introduce to certain parts of the Group a “Business Unit” system, which enables a quicker and more flexible decision making and realizes a “market-oriented management system” based on strategy proposals and operations focused on the relevant business segment. We will thus improve and expand our business portfolio to accelerate our growth.

In addition, we plan to improve our group-wide management system by making adjustments to our current “federate-style” management system, under which each group company we acquired via M&A maintains a high degree of independence in managing its business operations, which adjustments are designed to adapt to the rapidly changing business environments and the intensifying global competition, and enable optimum performance and maximize profit on a group-wide basis.

To establish a management system to support our global business management, the company has adopted a system using independent outside Members of Board, and the inclusion of a total of six officers under this system lead to an more-active-than-ever exchange of opinions in the company’s meetings of the Board of Directors. In addition to such a reform of the meetings of the Board of Directors, efforts are being made to further strengthen the company’s corporate governance system.

Furthermore, our 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 contribute to society based on our basic management policies as a good corporate citizen.

5. Main businesses of the Nidec Group (as of March 31, 2012)

The Group mainly manufactures and sells spindle motors for computers’ hard disk drives (HDD motors) 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, industrial and automotive components, and electronic and optical components, as well as providing logistic and other services relating to various businesses.

The Group’s businesses are as follows:

Business	Description
Small precision motors	Small precision DC motors (including spindle motors for HDDs), brushless DC fans, brush motors, vibration motors
General motors	Motors for home appliances and industrial use, and automobiles
Machinery	Power transmission drives, precision equipment, factory automation-related equipment
Electronic and optical components	Electronic components, optical components
Other	Automobile components and other components, service, etc.

6. Major business sites and plants, and employees (as of March 31, 2012)

(1) Major business sites and plants

Head office	Minami-ku, Kyoto-shi
Sales offices and product development sites	Kyoto, Tokyo, Osaka, Nagoya, Fukuoka, Shiga, and Nagano
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 Holdings Corporation (Kyoto) Nidec Motor Corporation (USA) Nidec Motors & Actuators (Germany) Nidec-Read Corporation (Kyoto)

Note: Nidec Techno Motor Holdings Corporation was renamed Nidec Techno Motor Corporation on April 01, 2012.

(2) Employees of the Nidec Group

(i) The Nidec Group

Category	# of Employees	Increase (decrease) from the end of previous fiscal year
Total	107,489	1,616

Note: In addition to the above employees, 26,612 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	1,807	92	36.71	9.58

Note: In addition to the above employees, 112 people are working as temporary staff.

7. Important parent companies and subsidiaries

(1) Important subsidiaries (as of March 31, 2012)

Subsidiaries	Capital or investment	Ratio of voting rights	Major business
Nidec Electronics (Thailand) Co., Ltd.	THB1,950,000 thousand	99.9%	Manufacturing and sales of small precision motors
Nidec (Zhejiang) Corporation	USD56,000 thousand	100.0%	Manufacturing and sales of small precision motors
Nidec (Dalian) Limited	USD36,500 thousand	100.0%	Manufacturing and sales of small precision motors
Nidec Singapore Pte. Ltd.	USD4,656 thousand	100.0%	Sales of small precision motors
Nidec (H.K.) Co., Ltd.	HKD2,352 thousand	100.0%	Sales of small precision motors
Nidec Philippines Corporation	USD39,207 thousand	99.9%	Manufacturing and sales of small precision motors
Nidec Sankyo Corporation	JPY35,270 million	77.4% (1.8%)*	Manufacturing and sales of small precision motors, machinery and equipment, and electronic and optical components
Nidec Copal Corporation	JPY11,080 million	66.0% (1.4%)* <sup>3</sup>	Manufacturing and sales of machinery and equipment, and electronic and optical components
Nidec Tosok Corporation	JPY5,087 million	71.8% (1.1%)*	Manufacturing and sales of machinery and equipment, and automobile components
Nidec Copal Electronics Corporation	JPY2,362 million	65.4% (0.0%)	Manufacturing and sales of electronic and optical components
Nidec Techno Motor Holdings Corporation* <sup>5</sup>	JPY2,500 million	100.0%	Manufacturing and sales of general motors
Nidec Motor Corporation* <sup>6</sup>	USD576,190 thousand	100.0% (100.0%)	Manufacturing and sales of general motors
Nidec Motors & Actuators (Germany)	EUR25 thousand	100.0%	Manufacturing and sales of general motors
Nidec-Read Corporation	JPY938 million	65.5% (3.8%)* <sup>4</sup>	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. The asterisks are the totals of the ratios of the voting rights owned by multiple subsidiaries of the Company.
- Nidec Copal Corporation's ratio of voting rights includes the 401,000 shares (ratio of voting rights: 0.6%) of Nidec-Shimpo Corporation, which provided the shares to Sumitomo Trust & Banking Co., Ltd. as an employee retirement benefit trust.
- 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.
- Nidec Techno Motor Holdings Corporation was renamed Nidec Techno Motor Corporation on April 01, 2012.

(2) Business combinations

- (i) The Company purchased 501,000 shares of Nidec Sankyo Corporation (JPY264 million) in the market.
- (ii) The Company purchased 385,000 shares of Nidec Copal Corporation (JPY384 million) in the market
- (iii) The Company purchased 287,000 shares of Nidec Tosok Corporation (JPY282 million) in the market.
- (iv) The Company purchased 8,000 shares of Nidec Copal Electronics Corporation (JPY5 million) in the market.
- (v) The Company purchased 5,604,000 shares of Nidec-Read Corporation (JPY5,688 million) from Nidec-Shimpo Corporation, and became Nidec-Read's largest shareholder.
- (vi) The Company purchased Sanyo Seimitsu on July 01, 2011, and made it the Company's subsidiary, with the Company holding 85.5%, and Nidec Copal holding 14.5%, of all the shares.
- (vii) Nidec Management Shanghai Corporation was established on November 02, 2011 with a capital of USD 2 million, which was entirely paid by the Company on January 04, 2012.
- (viii) Nidec Tosok Uogishi (Pinghu) Corporation was established on February 02, 2012 with a capital of USD7,725,000, 92% of which was paid by Nidec Tosok Corporation on February 15, 2012.
- (ix) Nidec Electronics (Taiwan) Co., Ltd. was established on October 01, 2011, with a capital of TWD10 million, which was entirely paid by Nidec Copal Electronics Co., Ltd.
- (x) On April 01, 2011, Nidec Techno Motor Holdings Corporation merged with Nidec Shibaura Corporation with Nidec Techno Motor Holdings Corporation as surviving company.
- (xi) On April 01, 2011, Nidec Motor Holdings Corporation succeeded the subsidiary management operation related to Nidec Motor Corporation via absorption-type company split, while, on the same day, succeeding the subsidiary management operation of Nidec Sole Motor Corporation S.R.L. via absorption-type company split.

8. Major financial lenders and amounts borrowed (as of March 31, 2012)

Lenders	Amount borrowed (yen in millions)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	22,602
The Bank of Kyoto, Ltd.	15,000

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

The Company, viewing companies as their shareholders' assets, ensures good business performance to secure a high share price, and envisions a company that always anticipates future changes, and this is the fundamental of the Company, which constantly challenges itself for growth. We will provide our shareholders with the Company's profit so that, while aiming to achieve a 30% consolidated profit in a long term, we can maintain a stable dividend and yet increase its amount depending on the circumstance of our consolidated net profit.

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, 2012)

1. Total number of shares issuable: 480,000,000
2. Total number of shares issued: 145,075,080
3. Number of shareholders: 39,807
4. Ten major shareholders (excluding treasury stocks, at cost):

Shareholders	Shares owned (in thousands)	Shareholding ratio (%)
Shigenobu Nagamori	12,026	8.78
The Master Trust Bank of Japan, Ltd. (Trust account)	10,090	7.37
Japan Trustee Services Bank, Ltd. (Trust account)	8,686	6.34
The Bank of Kyoto, Ltd.	5,927	4.33
SN Kosan Ltd.	5,511	4.02
State Street Bank and Trust Company	4,312	3.15
The Dai-ichi Mutual Life Insurance Company	3,974	2.90
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,514	2.56
Nippon Life Insurance Company	3,371	2.46
Meiji Yasuda Life Insurance Company	3,188	2.33

Notes:

1. The numbers of shares owned are rounded off to the nearest 1,000.
2. The shareholding ratio was calculated excluding own shares 8,240,496shares).

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, 2012):

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 20,000 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	9,410,878
Amount paid upon exercising the share warrants	10,626 yen
Exercise period of the new warrants	From October 05, 2010 to September 04, 2015

#### IV. Matters concerning Directors of the Company

##### 1. Members to the Board of Directors and the Board of Corporate Auditors (as of March 31, 2012)

Position	Name	Job description or representative status at other corporations, etc.
Chairman of the board, President & CEO	Shigenobu Nagamori	Chief Executive Officer Representative Director and Chairman, Nidec Motor Holdings Corporation Representative Director and Chairman, Nidec-Shimpo Corporation Representative Director and Chairman, Nidec Seimitsu Corporation Member of the Board and Chairman, Nidec Sankyo Corporation Member of the Board and Chairman, Nidec Copal Corporation Member of the Board and Chairman, Nidec Tosok Corporation Member of the Board and Chairman, Nidec Copal Electronics Corporation Member of the Board and Chairman, Nidec-Read Corporation Member of the Board and Chairman, Nidec Servo Corporation Member of the Board and Chairman, Nidec Motor Corporation
Representative Director, Executive Vice President & COO	Hiroshi Kobe	Chief Operating Officer In charge of automotive sales operations, Corporate Administration & Internal Audit Dept., Motor Engineering & Research Laboratory, and Spindle Motor (SPM) Quality Control Dept. Representative Director and Chairman, Nidec Korea Corporation Representative Director and Chairman, Nidec Logistics Corporation Representative Director and Chairman, Nidec Total Service Corporation
Member of the Board Executive Vice President	Kenji Sawamura	Supervising ADF operations, In charge of Shiga Technical Center, Corporate Purchasing Dept., ADF QC Dept., and Die & Mold Dept. Member of the Board, Chairman and CEO, Nidec America Corporation Representative Director and Chairman and CEO, Nidec Electronics GmbH Representative Director and Chairman, Nidec (Dalian) Limited Representative Director and Chairman, Nidec (Dongguan) Limited Representative Director and Chairman, Nidec Automobile Motor (Zhejiang) Corporation Member of the Board, Chairman & CEO, Nidec Vietnam Corporation Representative Director and Chairman, Nidec Techno Motor Holdings Corporation Representative Director and Chairman, Nidec Machinery Corporation
Member of the Board Executive Vice President	Juntaro Fujii	In charge of Corporate Strategy Office
Member of the Board First Senior Vice President	Tadaaki Hamada	In charge of Secretarial Office, Compliance Office, Corporate Planning Dept., Intellectual Property Dept., Legal Dept., General Affairs, Dept., HR Dept., an International Business Admin. Dept.
Member of the Board Senior Vice President	Masuo Yoshimatsu	Chief Financial Officer In charge of CFO Strategy Office, IR Dept., Public Relations & Advertising Dept., Accounting Dept., and Finance Dept. GM, CFO Strategy Office Representative Director and Chairman, Nidec Management Shanghai Corporation

Position	Name	Job description or representative status at other corporations, etc.
Member of the Board Senior Vice President	Tetsuo Inoue	In charge of Affiliates Admin. Dept. GM, Affiliates Admin. Dept.
Member of the Board	Shozo Wakabayashi	Representative Director and Chairman, Japan Earthquake Reinsurance CO., Ltd.
Member of the Board	Masakazu Iwakura	Partner Attorney, Nishimura & Asahi Lecturer, Hitotsubashi University Graduate School of Law Professor, Hitotsubashi University School of International Management & Development Outside Corporate Auditor, ICJ Co., Ltd. Outside Corporate Auditor, GMO Internet, Inc. Outside Corporate Auditor, Imperial Hotel, Ltd.
Standing Corporate Auditor	Osamu Narumiya	Corporate Auditor, Nidec Sankyo Corporation Corporate Auditor, Nidec Tosok Corporation
Standing Corporate Auditor	Ryuichi Tanabe	-
Corporate Auditor	Susumu Oono	Operating Officer, Susumu Oono Law Firm Outside Corporate Auditor, GemCEREY Corporation Outside Member of the Board, World Logi Co., Ltd.
Corporate Auditor	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, Zero-Sum, Ltd.

Notes

- Messrs. Shozo Wakabayashi and Masakazu Iwakura, Outside Members of the Board of the Company, have been appointed as Independent Directors in accordance with applicable rules of Tokyo Stock Exchange and Osaka Securities Exchange, both of which have been informed of the two.
- Messrs. Ryuichi Tanabe, Susumu Oono, Chihiro Suematsu, and Kiichiro Kobayashi, all Outside Corporate Auditors, have been appointed as Independent Directors in accordance with applicable rules of Tokyo Stock Exchange and Osaka Securities Exchange, both of which have been informed of the four.
- Appointments and transfers of members to the Board of Directors and Auditors during the fiscal year are as follows:
  - Mr. Yasuo Hamaguchi left office as a Member of the Board as of the closing of the 38th Ordinary Meeting of Shareholders held on June 21, 2011.
  - Messrs. Osamu Narumiya and Ryuichi Tanabe were newly elected and assumed office as Corporate Auditors in the 38th Ordinary Meeting of Shareholders held on June 21, 2011.
  - Messrs. Hideo Asahina and Takashi Iwata left office as Corporate Auditors as of the closing of the 38th Ordinary Meeting of Shareholders held on June 21, 2011.
- Mr. Shozo Wakabayashi, Member of the Board, 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.
- Mr. Masakazu Iwakura, Member of the Board, is a qualified attorney, and possesses sufficient knowledge and expertise on law. No special relations exist between Nidec Corporation and his concurrently held posts.
- Mr. Osamu Narumiya, Corporate Auditor, has long been involved in risk management and corporate administration and internal audit services, and possesses sufficient knowledge and expertise on finance and accounting.
- Mr. Ryuichi Tanabe, Corporate Auditor, has worked globally as a diplomat, and possesses a wide range of cosmopolitan sense and a high level of knowledge.
- Mr. Susumu Oono, Corporate Auditor, is a qualified attorney, and possesses sufficient knowledge and expertise on law. No special relations exist between Nidec Corporation and his concurrently held posts.
- Messrs. Chihiro Suematsu and Kiichiro Kobayashi, Corporate Auditors, are university professors, and thus have depthful insight and knowledge. No special relations exist between Nidec Corporation and their concurrently held posts.
- Nidec Techno Motor Holdings was renamed Nidec Techno Motor Corporation as of April 01, 2012.  
Changes in positions or representative statuses at other corporations
- The following changes were made as of April 01, 2012:

Position	Name	Job description or representative status at other corporations, etc.
Chairman of the board, President & CEO	Shigenobu Nagamori	Chief Executive Officer Representative Director and Chairman, Nidec Motor Holdings Corporation Representative Director and Chairman, Nidec-Shimpo Corporation Representative Director and Chairman, Nidec Seimitsu Corporation Member of the Board and Chairman, Nidec Sankyo Corporation Member of the Board and Chairman, Nidec Copal Corporation Member of the Board and Chairman, Nidec Tosok Corporation Member of the Board and Chairman, Nidec Copal Electronics Corporation Member of the Board and Chairman, Nidec-Read Corporation Member of the Board and Chairman, Nidec Motor Corporation
Representative Director, Executive Vice President & COO	Hiroshi Kobe	Chief Operating Officer Supervising Secretarial Office, Risk Management Office, Corporate Planning Dept., Intellectual Property Dept., General Affairs Dept., HR Dept., Information Systems Dept., International Business Administration Dept., CSR Office, Sales Administration & Service Dept., Motor Engineering & Research Laboratory, Nidec Research & Development Center Representative Director and Chairman, Nidec Logistics Corporation Representative Director and Chairman, Nidec Total Service Corporation
Member of the Board and Executive Vice President	Kenji Sawamura	Executive Advisor to President Supervising Corporate Strategy Office Member of the Board and Chairman, Nidec India Private Limited Representative Director and Chairman, Nidec (H.K.) Co., Ltd. Member of the Board and Chairman, Nidec Servo Corporation
Member of the Board Executive Vice President	Juntaro Fujii	-
Member of the Board First Senior Vice President	Tadaaki Hamada	In charge of Corporate Planning Office, Intellectual Property Dept., International Business Administration Dept., Motor Engineering & Research Laboratory
Member of the Board Senior Vice President	Masuo Yoshimatsu	Chief Financial Officer In charge of CFO Strategy Office, Public Relations, Advertising & Investor Relations Dept., Accounting Dept., Global Tax Planning Dept., and Finance Dept. GM, CFO Strategy Office Representative Director and Chairman, Nidec Management Shanghai Corporation

## 2. Aggregate amount of Directors' remuneration

Category	Number	Amount	Description
Members of the Board	10	286 million yen	Two Outside Members of the Board: 10 million yen
Corporate Auditors	7	46 million yen	Five: Outside Corporate Auditors: 31 million yen
Total	17	332 million yen	

### Note:

The above figures include the Member of the Board and the two Corporate Auditors (including one Outside Corporate Auditor) who left office as of the closing of the 38th Ordinary Meeting of Shareholders held on June 21, 2011.

3. Actions by Outside Members of the Board of Directors

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

Name	Attendance		Statement
	Meeting of Board of Directors		
Shozo Wakabayashi	20 times		Business management-related statements based on a professional viewpoint
Masakazu Iwakura	19 times		Statements as an attorney based on a professional viewpoint

Notes:

1. During this fiscal year (ended March 31, 2012), the Meeting of the Board of Directors was held 20 times.

(2) Attendance and statements by Outside Corporate Auditors to the Meeting of the Board of Directors and the Meeting of Corporate Auditors

Name	Attendance		Statement
	Meeting of Board of Directors	Meeting of Corporate Auditors	
Ryuichi Tanabe	15 times	10 times	Business management-related statements based on a professional viewpoint
Susumu Oono	16 times	14 times	Statements as an attorney based on a professional viewpoint
Chihiro Suematsu	19 times	13 times	Business management-related statements based on a professional viewpoint
Kiichiro Kobayashi	20 times	14 times	Business management-related statements based on a professional viewpoint

Notes:

1. During this fiscal year (ended March 31, 2012), the Meeting of the Board of Directors was held 20 times, and the Meeting of the Board of Auditors was held 14 times.
2. Mr. Ryuichi Tanabe was newly elected and assumed office as Corporate Auditor in the 38th Ordinary Meeting of Shareholders held on June 21, 2011, since which the Meeting of the Board of Directors was held 15 times, and the Meeting of Corporate Auditors was held 10 times.

(3) Overview of Limited Liability Agreement

Nidec Corporation has a limit liability contract with Messrs. Shozo Wakabayashi and Masakazu Iwakura (Outside Members of the Board of Directors) and with Messrs. Ryuichi Tanabe, Susumu Oono, Chihiro Suematsu, and Kiichiro Kobayashi (Outside Corporate Auditors). 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 Corporate Auditor 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	212 million yen
(2) Total amount of money and other asset-type profit to be paid by the Company and its subsidiaries.	509 million yen

### 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, and nor are they able to be differentiated in reality.
  2. To the audit corporation, the Company consigns, and pays consideration for, advisory services concerning IFRS (the International Financial Reporting System), which are services outside Article 2-1 of Certified Public Accountants Act of Japan.
  3. Of the Company's important subsidiaries, Nidec Motor Corporation and other six 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 Board of Corporate Auditors, 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 Board of Corporate Auditors, 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.

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 satisfy 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 an internal report system to ensure compliance to the best extent possible to protect those who report on compliance issues.
  - (5) 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 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, and make documents always available for the Company's Corporate Auditors to view.
3. Regulations and systems concerning the management of loss-related risks
  - (1) To establish a risk management system, the Company establishes 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 system, and assign executive authorities to the Officers. The Board of Directors makes decisions on important matters concerning Nidec Corporation's business policies and strategies, appoint and dismiss Executive Officers, 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 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 Group reviews (performs rolling on) the plan regularly.
  - (3) Approval Request 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 a corporation and its parent company and subsidiaries
  - (1) The Company's Directors and Executive Officers work as the Directors 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) 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 Corporate Auditors' duties
  - (1) Corporate Administration & Internal Audit Dept., following a request by the Board of Auditors, performs audits on matters that Corporate Auditors requested to audit, and reports the result of such audits to the Board of Corporate Auditors.
  - (2) During such audits, assistance is provided for Corporate Auditors' duties under their supervision. The Board of Corporate Directors does not in any way restrict the report of the audit.
7. System for the Company's Members of the Board of Directors and employees to report to Corporate Auditors, 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 Boards of Directors and Corporate Auditors.
8. Other aspects to ensure effective auditing by Corporate Auditors
  - (1) Corporate Auditors exchange their opinions with the Company's top management.
  - (2) Corporate Auditors summarize monthly activities in an audit report, and submit it to the meeting of the Board of Directors
  - (3) Corporate Auditors visit each company's workplace, and perform a 3Q6S audit, etc.

Consolidated Balance Sheets

(As of March 31, 2012)

Assets		(Yen in millions)
Title		Amount
Current assets:		439,287
Cash and cash equivalents		130,290
Trade notes receivable		11,207
Trade accounts receivable	*1	171,255
Inventories		91,453
Other current assets		35,082
Investments and advances:		15,572
Marketable securities and other securities investments	*3	14,818
Investments in and advances to affiliated companies		754
Property, plant and equipment:		230,831
Land		39,996
Buildings		133,911
Machinery and equipment		289,139
Construction in progress		22,196
Less - Accumulated depreciation		(254,411)
Goodwill		80,525
Other non-current assets	*1	34,186
<b>Total assets</b>		<b>800,401</b>
Liabilities and Equity		(Yen in millions)
Title		Amount
Current liabilities:		252,360
Short-term borrowings		86,608
Current portion of long-term debt		674
Trade notes and accounts payable		107,345
Accrued expenses		22,983
Other current liabilities		34,750
Long-term liabilities:		122,430
Long-term debt		101,236
Accrued pension and severance costs		12,715
Other long-term liabilities		8,479
<b>Total liabilities</b>		<b>374,790</b>
Common stock		66,551
Additional paid-in capital		66,762
Retained earnings		326,777
Total accumulated other comprehensive income (loss)		(47,468)
Foreign currency translation adjustments		(47,911)
Unrealized gains (losses) from securities, net of reclassification adjustments		1,013
Unrealized gains from derivative instruments qualifying for cash flow hedges		73
Pension liability adjustments		(643)
Treasury stock, at cost		(42,440)
<b>Total Nidec Corporation shareholders' equity</b>		<b>370,182</b>
Non-controlling interests		55,429
<b>Total equity</b>		<b>425,611</b>
<b>Total liabilities and equity</b>		<b>800,401</b>

Condensed Consolidated Statements of Income

(For the fiscal year ended March 31, 2012)

(Yen in millions)

Title	Amount
Net sales	682,320
Cost of products sold	523,729
Selling, general and administrative expenses	55,471
Research and development expenses	30,050
Operating expenses	609,250
Operating income	73,070
Other income (expenses):	(2,214)
Interest and dividend income	1,634
Interest expenses	(299)
Foreign exchange gain (loss), net	(1,756)
Gain (loss) from marketable securities, net	(202)
Other, net	(1,591)
Income from continuing operations before income taxes	70,856
Income taxes	(18,801)
Equity in net income (loss) of affiliated companies	0
Income from continuing operations	52,055
Loss from discontinued operations	(7,768)
Consolidated net income	44,287
Less: Net income attributable to non-controlling interests	(3,556)
Net income attributable to Nidec Corporation	40,731

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

For the fiscal year ended  
( March 31, 2012 )

(Yen in millions)

Title	Shares	Amount	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Nidec Corporation total shareholders' equity	Non-controlling interests	Total
Balance at March 31, 2011	145,075,080	66,551	66,960	298,445	□44,421	□32,285	355,250	55,256	410,506
Comprehensive income:									
Net income				40,731			40,731	3,556	44,287
Other comprehensive income (loss)									
Foreign currency translation adjustments					□2,749		□2,749	189	□2,560
Unrealized loss on securities, net of reclassification adjustment					□53		□53	46	□7
Unrealized gain from derivative instruments qualifying for cash flow hedges					□146		□146	—	□146
Pension liability adjustments					□99		□99	192	93
Total comprehensive income							37,684	3,983	41,667
Purchase of treasury stock						□10,155	□10,155	—	□10,155
Dividends paid to shareholders of Nidec Corporation				□12,399			□12,399	—	□12,399
Dividends paid to non-controlling interests							—	□1,444	□1,444
Capital transaction with consolidated subsidiaries and other			□198				□198	□2,366	□2,564
Balance at March 31, 2012	145,075,080	66,551	66,762	326,777	□47,468	□42,440	370,182	55,429	425,611

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: 169

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 Holdings Corporation, Nidec Motor Corporation, Nidec Motors & Actuators (Germany) GmbH, and Nidec-Read Corporation

Note:

Nidec Techno Motor Holdings Corporation was renamed Nidec Motor Corporation as of April 01, 2012.

2. Change in the scope of consolidation from March 31, 2011

Increase of consolidated subsidiaries: 18

Decrease of consolidated subsidiaries: 7

3. Application of equity method

Number of affiliated companies accounted for by the equity method: 2

Name of the company accounted for by the equity method:

Nidec Development Philippines Corporation

Aoba Technology Research Center Co., Ltd.

4. Change in the application of equity method from March 31, 2011

None.

## 5. 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.

The tangible fixed assets have traditionally been calculated by the declining-balance method for Nidec Corporation and its domestic subsidiaries and by the straight-line method for its overseas subsidiaries. However, from this consolidated fiscal year and thereafter, the entire tangible fixed assets are calculated by the straight-line method in principle.

This change is based on the conclusion that the straight-line method will more properly reflect the way property, plant, and equipment will be used from now on, and better reflect the consumption pattern of Nidec Corporation's future economic benefit.

As a result, the income from continuing operations before income taxes of this consolidated fiscal year has increased ¥1,241 million compared to the amount calculated by the conventional method. In addition, the income from continuing operations and the basic current net profit per share attributable to Nidec's shareholders increased ¥813 million and ¥5.92, respectively.

### (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

#### 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.

(9) Derivative transactions

Derivative transactions are subject to ASC 815, "Derivatives and Hedging."

(10) Consumption tax and local consumption tax

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

(11) Inclusion of income (loss) from discontinued operations

In the US GAAP, in accordance with ASC 205-20, "Presentation of Financial Statements-Discontinued Operations," the operating income (loss) and the impairment income (loss) of operations that are determined as discontinued, including related taxes, are explained in consolidated profit and loss statements as a net loss from discontinued operations in this fiscal year.

6. Newly adopted accounting standard

- (1) As of April 1, 2011, NIDEC adopted FASB Accounting Standards Codification™ (ASC) 350 “Intangibles -Goodwill and Other” updated by Accounting Standards Update (ASU) No. 2010-28 “When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts.” ASU 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. The adoption of this standard did not have a material impact on NIDEC’s consolidated financial position, results of operations or liquidity.
- (2) As of April 1, 2011, NIDEC adopted FASB ASC 805 “Business Combinations” updated by ASU No. 2010-29 “Disclosure of Supplementary Pro Forma Information for Business Combinations.” ASU 2010-29 requires a public entity that enters into business combination to disclose pro forma revenue and earnings of the combined entity in the comparative financial statements as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU2010-29 is a provision for disclosure. The adoption of ASU2010-29 did not have any impact on NIDEC’s consolidated financial position, results of operations and liquidity.

II. Notes on the consolidated balance sheet

*1. Reserve for doubtful accounts:	
Current assets	496 million yen
Noncurrent assets	506 million yen
2. Liability obligation	
Employee housing loan:	86 million yen
*3. Assets provided for collateral	
Held-to-maturity securities:	301 million yen

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:

145,075,080

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 23, 2011	Common stock	JPY6,232 million	JPY45	March 31, 2011	June 01, 2011
Board of Directors Meeting on October 25, 2011	Common stock	JPY6,167 million	JPY45	September 30, 2011	December 02, 2011

(2) Dividends whose base dates are within this consolidated fiscal year, 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 28, 2011	Common stock	JPY6,158 million	Retained earnings	JPY45	March 31, 2012	June 05, 2012

3. Type and the number of stocks subject to the share warrant at the end of this consolidated 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	9,410,878

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 current consolidated fiscal year are as follows:

(Yen in millions)

	Carrying value	Estimated fair value
Assets and liabilities		
Cash and cash equivalents	130,290	130,290
Short-term investments	7,810	7,810
Short-term loans receivables	119	119
Securities	14,352	14,352
Long-term loans receivables	85	86
Short-term loans payable	(59,608)	(59,608)
Commercial papers	(27,000)	(27,000)
Long-term liabilities (including the current portion of long-term debt, and excluding capital lease liabilities)	(100,602)	(103,218)
Derivatives	143	143

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

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

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

- (2) 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.

- (3) 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.

- (4) 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.

- (5) 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.

V. Notes on information per share

- |   |             |
|---|-------------|
| 1. Shareholders' equity per share:                                    | JPY2,705.32 |
| 2. Current net profit per share attributable to Nidec's shareholders: | JPY296.25   |

VI. Notes on important post-balance sheet events

1. Completion of Acquisition of The Minster Machine Company

On April 2, 2012, Nidec-Shimpo Corporation, our wholly owned subsidiary, acquired all of the voting rights in The Minster Machine Company (“Minster”).

(i) Purpose of the acquisition	Minster is a leading U.S. manufacturer of medium-sized and large-sized high-speed, high-rigidity press machines and large-sized press machines for dies for motor parts, products that will be included in our “machinery” product category. This acquisition is part of the ongoing efforts to pursue our group-wide growth strategy by seeking to increase sales by expanding our business not only in our existing electronic parts market but also in wider markets, including the beverage can and automobile parts markets.
(ii) Method of the acquisition	Based on Nidec Corporation’s own fund.

2. A Share Purchase Agreement to Acquire Ansaldo Sistemi Industriali S.p.A.

On April 11, 2012, we agreed to acquire all of the voting rights in Ansaldo Sistemi Industriali S.p.A., an Italian company, from HVEASI Holding, B.V. (Netherlands), a privately owned company affiliated with Patriarch Partners, LLC, and entered into a share purchase agreement with HVEASI Holding, B.V. (Netherlands).

(i) Purpose of the share purchase	Through this transaction, we aim to accelerate the global expansion of our industrial motor business, which is a part of the general motor business where we have increasingly focused our efforts as one of the principal growth areas, by gaining sales platforms in markets where we currently do not have significant sales and by expanding our product offerings to include a wider range of products that are currently not in our product portfolio.
(ii) Method & period of the share purchase	This acquisition will be performed using Nidec’s own fund, and the closing of the transaction is currently expected to be completed by the end of May 2012.

3. A Share Exchange Agreement with Nidec Sankyo Corporation

On April 24, 2012, we decided, at a meeting of the board of directors, to enter into a share exchange transaction with Nidec Sankyo Corporation to make Nidec Sankyo a wholly owned subsidiary, and entered into a share exchange agreement with Nidec Sankyo on the same day.

(i) Purpose of the Share Exchange	To further enhance the alliance between Nidec Corporation and Nidec Sankyo Corporation and to achieve an effective group management based on a prompt decision-making, and enhance sharing of management resources and improving investment efficiencies for both companies, which will achieve a further expansion of Nidec group’s business.
(ii) Method of the Share Exchange	As a result of the Share Exchange, Nidec is expected to become the parent company owning all of the outstanding shares in Nidec Sankyo, and Nidec Sankyo is expected to become a wholly owned subsidiary of Nidec. The Share Exchange is expected to become effective on October 1, 2012, subject to approval by Nidec Sankyo’s shareholders at an ordinary general meeting scheduled to be held on June 18, 2012. Nidec intends to use a simplified share exchange procedure in accordance with Article 796, Paragraph 3, of the Company Act, without obtaining the approval of its shareholders for the Share Exchange.
(iii) Share allocation ratio	For each share of Nidec Sankyo common stock, 0.068 shares of Nidec common stock will be allocated. In the event of a significant change to the factors and assumptions used for calculating the ratio, the above share exchange ratio may be modified upon the agreement of Nidec and Nidec Sankyo.
(iv) Nidec’s stocks to be allocated as a result of this share exchange	Nidec expects to allocate 3,175,755 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.

VII. Other notes

Large-scale flooding in Thailand

The large-scale flooding in Thailand that occurred in October 2011 caused physical damage to fixed-assets and inventories of some of Nidec Corporation’s subsidiaries. Accordingly, during this consolidated fiscal year, a loss of 17,269 million yen was recorded, of which 13,730 million yen was fixed asset loss, and 3,539 million yen was loss related to inventories.

Nidec Corporation is covered by an insurance contract that compensates for the loss directly related to the flooding. With this insurance contract, which covers the fixed-assets and inventories damaged in the flooding, Nidec Corporation has recorded an insured amount that exceeds the amount of the above loss, 17,268 million yen, achieving an operating profit of 5,932 million yen.

Non-consolidated Balance Sheets

(As of March 31, 2012)

(Yen in millions)

Assets	Amount	Liabilities	Amount
Assets		Liabilities	
Current assets:	136,414	Current liabilities	139,205
Cash and deposits	9,825	Notes payable-trade	29
Notes receivable-trade *7	192	Accounts payable-trade *1	21,471
Accounts receivable-trade *1	55,286	Short-term loans payable	57,876
Finished goods	2,614	Commercial papers	27,000
Work in process	161	Lease obligations	91
Raw materials and supplies	421	Accounts payable-other *1	3,919
Prepaid expenses	440	Accrued expenses *1	395
Short-term loans receivable from subsidiaries and affiliates *1,5	38,771	Income tax payable	387
Account receivable-other *1	28,851	Deferred tax liabilities	1,945
Other *1	57	Advances received	22
Allowance for doubtful accounts	(204)	Deposits received *1	24,186
Noncurrent assets:	352,525	Unearned revenue	183
Property, plant, and equipment	28,653	Provision for bonuses	1,700
Buildings *2	14,964	Notes payable-facilities	1
Structures *2	395	Noncurrent liabilities	100,837
Machinery and equipment *2	483	Bonds payable	100,347
Vehicles *2	12	Lease obligations	45
Tools, furniture and fixtures *2	1,000	Other *1	445
Land *3	11,583	<b>Total liabilities</b>	<b>240,042</b>
Lease assets *2	133	Net assets	
Construction in progress	83	Shareholder's equity	248,494
Intangible assets	3,217	Capital stock	66,551
Patent right	139	Capital surplus	73,069
Software	1,806	Legal capital surplus	70,772
Software in progress	1,141	Other capital surplus	2,297
Other	131	Retained earnings	151,314
Investments and other assets	320,655	Legal retained earnings	721
Investment securities	7,311	Other retained earnings	
Stocks of subsidiaries and affiliates	278,530	General reserve	114,650
Investments in capital	0	Retained earnings brought forward	35,943
Investments in capital of subsidiaries and affiliates	34,037	Treasury stock	(42,440)
Claims provable in bankruptcy, claims provable in rehabilitation and other	445	Total valuation and translation adjustments	403
Long-term prepaid expenses	233	Valuation difference on available-for-sale securities	883
Prepaid pension expenses *4	92	Revaluation reserve for land *3	(480)
Deferred tax assets	106	<b>Total net assets</b>	<b>248,897</b>
Other *1	346	<b>Total liabilities and net assets</b>	<b>488,939</b>
Allowance for doubtful accounts	(445)		
<b>Total assets</b>	<b>488,939</b>		

## Non-Consolidated Statements of Income

(For the fiscal year ended March 31, 2012 )

(Yen in millions)

Sales and income		Amount	
Net sales	*1		146,965
Cost of sales	*2		116,063
Gross profit			30,902
Selling, general and administrative expenses	*3		23,405
Operating income			7,497
Non-operating income	*4		
Interest income		490	
Dividend income		9,307	
Other		1,415	11,212
Non-operating expenses			
Interest expenses	*4	137	
Sales discounts		47	
Foreign exchange losses		1,851	
Bond-issuing expenses		1	
Interest on commercial papers		10	
Other		764	2,810
Ordinary income			15,899
Extraordinary income			
Gain on sales of noncurrent assets	*4	29	
Special technical support fee		1,100	
Transfer pricing taxation adjustment	*4, 5	25,077	26,206
Extraordinary losses			
Loss on disposal of noncurrent assets	*4	184	
Loss on sales of investment securities		1	
Impairment loss		17	
Loss on valuation of stocks of subsidiaries and affiliates		805	1,007
Income before income taxes			41,098
Income taxes-current		3,015	
Income taxes-deferred		8,725	11,740
Net income			29,358

Non-Consolidated Statements of Shareholders' Equity

( For the fiscal year ended March 31, 2012 )

(Yen in millions)

	Shareholders' equity							Valuation and translation adjustments		Total net assets	
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity	Valuation difference on available for-sale securities		Revaluation reserve for land
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings						
					General reserve	Retained earnings brought forward					
Balance at the end of previous period	66,551	70,772	2,297	721	105,650	27,984	(32,285)	241,690	1,095	(480)	242,305
Total changes of items during the period											
Dividends from surplus						(12,399)		(12,399)			(12,399)
Provision of general reserve					9,000	(9,000)		—			—
Net income						29,358		29,358			29,358
Purchase of treasury stock							(10,155)	□10,155			(10,155)
Net changes of items other than shareholders' equity									(212)		(212)
Total changes of items during the period	—	—	—	—	9,000	7,959	(10,155)	6,804	(212)	—	6,592
Balance at the end of current period	66,551	70,772	2,297	721	114,650	35,943	(42,440)	248,494	883	(480)	248,897

Notes on non-consolidated Financial Statements  
Amounts less than JPY1,000,000 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.

Changes to the accounting policy:

Nidec has traditionally stated the depreciation method for its property, plant, and equipment (except for lease assets) pursuant to the constant percentage method (except for buildings acquired on or after April 01, 1998, which were stated pursuant to the straight-line method), but, from this fiscal year and onwards, changed the method to the straight-line method.

This change of our accounting policy to the straight-line method is based on our decision that, as a result of Nidec's actions to expand and improve the functions of its domestic technical centers in order to enhance the company's technological development system, those facilities are becoming increasingly generalized and their use is expected to equalize, while their economic benefit will likely fluctuate stably, and that the result of our future large-scale investments will likely be the same as the result of the examination of the current facilities, and therefore that allocating cost pursuant to the straight-line method based on the length of a useful life in years will more properly reflect the reality of the company's investment in property, plant, and equipment.

As the result of this change, the depreciation cost decreased JPY248 million, while the operating profit increased JPY253 million, and the ordinary income and the income before income taxes increased JPY248 million, respectively.

(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

In the bad-debt reserve, 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.

With regards to fiscal year ended March 31, 20011, the expected amounts of pension assets exceed the expected amounts of retirement benefits; therefore, the exceeding amount is allocated as "Prepaid Pension Expenses" under Investments and other assets.

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. Accounting of consumption tax, etc.

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

8. Adoption of the consolidated taxation system is adopted.

The consolidated taxation system is used.

9. Additional information

(Adaptation of new accounting standard for accounting changes and error corrections)

Starting with the accounting changes and past error corrections to be made on/after the beginning of this fiscal year, "New accounting standard for accounting changes and error corrections" (No. 24, Accounting Standards) and "Adaptation guideline of accounting standard for accounting changes and error corrections (No. 24, Accounting Standards Adaptation Guideline, December 04, 2009) are applied.

II. Notes on the balance sheets

\*1. Monetary claims and liabilities to affiliated companies

Short-term monetary claims:	JPY113,797 million
Long-term monetary claims:	JPY16 million
Short-term monetary liabilities:	JPY45,824 million
Long-term monetary liabilities:	JPY40 million

\*2. Accumulated amount of depreciation of tangible fixed assets: JPY18,798 million

This includes accumulated impairment loss of tangible fixed assets of JPY 134 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: JPY2,901 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: JPY 1,127 million

\*5. Loan commitment

The Company concluded basic, CMS (cash management system)-related agreements with its 13 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:	JPY38,200 million
Executed loans outstanding:	JPY18,932 million
Balance on unexecuted loans outstanding:	JPY19,268 million

6. Contingent obligation

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

Nidec Motors & Actuators (Spain):	JPY136 million
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\*7. Notes payable on the closing date

Notes payable on the closing date handled for settlement on exchange dates. The closing day of this fiscal year was a day when financial institutions are closed, and therefore the following note payable on the closing date is included in the balance at the end of the period.

Trade notes receivable	JPY21 million
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III. Notes on the profit and loss statement

1. Business transactions with affiliated companies

*1. Sales	JPY99,776 million
*2. Cost of products purchased	JPY105,485 million
*3. Selling, general and administrative expense	JPY4,130 million
*4. Non-sales transactions	JPY35,232 million

2. Other information

\*5. "Transfer pricing taxation adjustment" is adjustment money based on the tentative agreement concerning the advance pricing agreement on the calculation method, etc. of the arm's length price of business transactions between Nidec Corporation and its overseas subsidiary, Nidec Electronics (Thailand) Co., Ltd.

IV. Notes on changes to the statement of shareholders' equity

Type and number of treasury stocks

(Unit: shares)

Stock type	Number of shares as of March 31, 2010	Increase during the current year	Decrease during the current fiscal year	Number of shares as of March 31, 2011
Treasury stock	6,593,647	1,646,849	-	8,240,496

Note:

The increase of 1,646,849 shares in the number of common stock held in treasury is due to share acquirement of 1,645,800 shares due to a resolution of the Board, and share acquirement due to the repurchase of 1,049 odd-lot shares.

V. Notes to the tax effect accounting

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

(Yen in millions)

Deferred tax assets (current)	
Disallowed provisions for bad debts	50
Disallowed provisions for accrued bonus	646
Write-down of inventories	81
Disallowed accrued expense	342
Allowed deferred credit	54
Loss on valuation of stocks of subsidiaries	306
Non-deductible portion of foreign tax credit	4,178
Remaining amount of foreign taxes	1,505
Others	422
Total	<u>7,584</u>
Deferred tax liabilities (current)	
Transfer pricing taxation adjustment	9,529
Total	<u>9,529</u>
Deferred tax liabilities, net (current)	<u>1,945</u>
Deferred tax assets (non-current)	
Valuation loss on investment securities	4
Disallowed depreciation	386
Accrued retirement benefit to directors	8
Allowed long-term deferred credit	138
Others	149
Subtotal	<u>685</u>
Valuation allowance	<u>(82)</u>
Total	<u>603</u>
Deferred tax liabilities (non-current)	
Valuation difference on available-for-sale securities	<u>497</u>
Total	<u>497</u>
Deferred tax assets, net (non-current)	<u>106</u>

VI. Notes on transactions with concerned parties

1. Directors and main individual shareholders, etc.

N/A.

2. Subsidiaries, etc.

Category	Company name	Voting ratio (possessing/ being possessed)	Relationship		Detail of business	Business amount (In mill. yen)	Account title	Balance at the end of term (Yen in millions)
			Concurrent office of officers	Relationship with concerned personnel				
Subsidiary	Nidec Electronics (Thailand) Co., Ltd.	Direct 99.9%	3	Royalty contract	Royalty income	11,907	Accounts receivable	7,565
					Transfer pricing taxation adjustment	25,077	Account receivable-other	25,218
				Purchase of products from Nidec Electronics (Thailand) Co., Ltd.	Purchase of motors	33,406	Accounts payable	7,189
Subsidiary	Nidec Electronics (Thailand) Co., Ltd.	Direct 100.0%	4	Purchase of products from Nidec (Dalian) Limited	Purchase of motors	13,422	Accounts payable	2,316
Subsidiary	Nidec Singapore PTE. Ltd.	Direct 100.0%	2	Sales of products of the Company	Sales of motors	35,225	Accounts receivable	15,593
Subsidiary	Nidec (H.K.) Co., Ltd.	Direct 100.0%	2	Sales of products of the Company	Sales of motors	18,291	Accounts receivable	7,421
Subsidiary	Nidec Philippines Corporation	Direct 99.9%	2	Purchase of products from Nidec Philippines Corporation	Purchase of motors	20,380	Accounts payable	4,704
Subsidiary	Nidec Sankyo Corporation	Direct 75.5% Indirect 1.7%	3	Receiving deposits	Repayment of money	3,014	Deposits	17,782
					CMS transaction (repayment)	5,617		
Subsidiary	Nidec Techno Motor Holdings Corporation*5	Direct 100.0%	4	Loaning funds	Recovery of funds	6,711	Short-term loans receivable from subsidiaries and affiliates	8,628
					CMS transaction (recovery)	759		
Subsidiary	Nidec Motor Holdings Corporation	Direct 100.0%	4	Loaning funds	Loaning funds	6,268	Short-term loans receivable from subsidiaries and affiliates	6,268
				Executing an absorption-type company split contract	Transferring split assets*6	58,047	-	-

Category	Company name	Voting ratio (possessing/ being possessed)	Relationship		Detail of business	Business amount (In mill. yen)	Account title	Balance at the end of term (Yen in millions)
			Concurrent office of officers	Relationship with concerned personnel				
Subsidiary	Nidec Electronics GmbH	Indirect 100.0%	1	Sales of products of the Company	Sales of motors	19,425	Accounts receivable	11,974
Subsidiary	Nidec Automobile Motor (Zhejiang) Corporation	Direct 76.9% Indirect 23.0%	1	Purchase of products from Nidec Automobile Motor (Zhejiang) Corporation	Purchase of motors	22,424	Accounts payable	2,210
Subsidiary	Nidec- Shimpo Corporation	Direct 100.0%	3	Acquisition of stocks of subsidiaries	Acquisition of stocks of subsidiaries*7	5,688	-	-
Subsidiary	Nidec Seimitsu Corporation	Direct 85.5% Indirect 14.5%	3	Loaning funds	CMS transaction (loaning)	5,588	Short-term loans receivable from subsidiaries and affiliates	5,588

Notes:

1. The consumption tax is not included in the “Business 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 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.
5. Nidec Techno Motor Holdings Corporation was renamed Nidec Techno Motor Corporation as of April 01, 2012.
6. The absorption-type company split is a transaction of transferring Nidec Motor Corporation’s group management operation to Nidec Motor Holdings Corporation, and in exchange, Nidec Motor Holdings Corporation’s ordinary stocks were allotted and delivered.
7. The acquisition of stocks of subsidiaries is based on the acquisition of the stock of Nidec-Read Corporation, and the amount of the transaction is calculated based on the acquisition price (actual value of the issued stocks) of the company.

VII. Notes on per-share-related information

1. Net assets per share:	JPY1,818.96
2. Current net income per share:	JPY213.53

VIII. Notes on important post-balance sheet events

1. A Share Purchase Agreement to Acquire Ansaldo Sistemi Industriali S.p.A.

On April 11, 2012, we agreed to acquire all of the voting rights in Ansaldo Sistemi Industriali S.p.A., an Italian company, from HVEASI Holding, B.V. (Netherlands), a privately owned company affiliated with Patriarch Partners, LLC, and entered into a share purchase agreement with HVEASI Holding, B.V. (Netherlands).

(i) Purpose of the share purchase	Through this transaction, we aim to accelerate the global expansion of our industrial motor business, which is a part of the general motor business where we have increasingly focused our efforts as one of the principal growth areas, by gaining sales platforms in markets where we currently do not have significant sales and by expanding our product offerings to include a wider range of products that are currently not in our product portfolio.
(ii) Method & period of the share purchase	This acquisition will be performed using Nidec's own fund, and the closing of the transaction is currently expected to be completed by the end of May 2012.

2. A Share Exchange Agreement with Nidec Sankyo Corporation

On April 24, 2012, we decided, at a meeting of the board of directors, to enter into a share exchange transaction with Nidec Sankyo Corporation to make it a wholly owned subsidiary, and entered into a share exchange agreement with Nidec Sankyo on the same day.

(i) Purpose of the share exchange	To further enhance the alliance between Nidec Corporation and Nidec Sankyo Corporation and to achieve an effective group management based on a prompt decision-making, and enhance sharing of management resources and improving investment efficiencies for both companies, which will achieve a further expansion of Nidec group's business.
(ii) Method of the share exchange	As a result of the Share Exchange, Nidec is expected to become the parent company owning all of the outstanding shares in Nidec Sankyo, and Nidec Sankyo is expected to become a wholly owned subsidiary of Nidec. The Share Exchange is expected to become effective on October 1, 2012, subject to approval by Nidec Sankyo's shareholders at an ordinary general meeting scheduled to be held on June 18, 2012. Nidec intends to use a simplified share exchange procedure in accordance with Article 796, Paragraph 3, of the Company Act, without obtaining the approval of its shareholders for the Share Exchange.
(iii) Share allocation ratio	For each share of Nidec Sankyo common stock, 0.068 shares of Nidec common stock will be allocated. In the event of a significant change to the factors and assumptions used for calculating the ratio, the above share exchange ratio may be modified upon the agreement of Nidec and Nidec Sankyo.
(iv) Nidec's stocks to be allocated as a result of this share exchange	Nidec expects to allocate 3,175,755 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.

## IX. Other notes

In-kind contribution to Nidec Electronics (Thailand) Co., Ltd.

Transfer of stocks of consolidated subsidiary

Nidec Corporation's Board of Directors decided in its meeting held on March 05, 2012 to contribute in-kind all of the shares of Nidec Component Technology Co., Ltd., its consolidated subsidiary, to Nidec Electronics, another consolidated subsidiary.

(1) Reason for the stock transfer

To enhance Nidec Component Technology Co. Ltd.'s ties with NET, and thus improve the company's profitability by managing it as Nidec Component Technology Co., Ltd.'s subsidiary.

(2) Overview of the subsidiary to receive the in-kind contribution

- (i) Name: Nidec Electronics (Thailand) Co., Ltd.
- (ii) Business: Manufacturing and sales of small precision motor
- (iii) Capital: THB1,950,000,000 (as of March 31, 2012)

(3) Period of the in-kind contribution

Until late June 2012 (plan)

(4) Details of the in-kind contribution

- (i) 461,137,824 stocks of Nidec Component technology Co., Ltd. (JPY15,388 million)
- (ii) Business of Nidec Component Technology Co., Ltd.: Manufacturing and sales of components for small precision motors
- (iii) Capital of Nidec Component Technology Co., Ltd.: USD61,583,000 (as of March 31, 2012)

Audit Report from Independent Auditor

May 14, 2012

To: The Board of Directors  
Nidec Corporation

Kyoto Audit Corporation

Appointed

Partner Hirokaze Hanai C.P.A. Seal

Managing Partner

Appointed

Partner Akihiro Kajita C.P.A. Seal

Managing Partner

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, 2011 – March 31, 2012) based on Article 444-4 of the Companies Act.

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.

Important points to emphasize

1. As described in Note 2 of important post-balance sheet events in “VI. Notes to the consolidated financial statements,” Nidec Corporation has agreed to acquire all of the voting rights in Ansaldo Sistemi Industriali S.p.A., an Italian company, and entered into a share purchase agreement as of April 11, 2012.

2. As described in Note 3 of important post-balance sheet events in “VI. Notes to the consolidated financial statements,” Nidec Corporation and Nidec Sankyo Corporation (“Nidec Sankyo”), after deliberation at the respective companies’ meetings of the Board of Directors held on April 24, 2012, resolved for Nidec Corporation to make Nidec Sankyo a wholly owned subsidiary, and Nidec Corporation entered into a share exchange agreement with Nidec Sankyo on the same day.

This event 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 from Independent Auditor

May 14, 2012

To: The Board of Directors  
Nidec Corporation

Appointed  
Partner Hirokaze Hanai C.P.A. Seal  
Managing Partner  
Appointed  
Partner Akihiro Kajita C.P.A. Seal  
Managing Partner

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, 2011 – March 31, 2012) based on Paragraph 2-1, Article 436 of the Companies Act.

**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 1 of important post-balance sheet events in "VIII. Notes to the non-

consolidated financial statements,” Nidec Corporation has agreed to acquire all of the voting rights in Ansaldo Sistemi Industriali S.p.A., an Italian company, and entered into a share purchase agreement as of April 11, 2012.

2. As described in Note 2 of important post-balance sheet events in “VIII. Notes to the non-consolidated financial statements,” Nidec Corporation and Nidec Sankyo Corporation (“Nidec Sankyo”), after deliberation at the respective companies’ meeting of the Board of Directors held on April 24, 2012, resolved for Nidec Corporation to make Nidec Sankyo a wholly owned subsidiary, and Nidec Corporation entered into a share exchange agreement with Nidec Sankyo on the same day.

This event 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

The Board of Auditors deliberated and prepared this audit report on the execution of the duties of the members to the Board of Directors for the 39th financial year (April 01, 2011 - March 31, 2012) based on the audit reports prepared by each Auditor, and reports as follows.

1. Auditing method of and audits by Auditors and the Board of Auditors

The Board of Auditors established auditing policies and an audit plan for FY2011, received reports from Auditors on the status and the result of audits and reports from the members to the Board of Directors and the Accounting Auditors on the execution of their duties, and requested an explanation as necessary.

The Auditors, 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. The Auditors 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, the Auditors 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). The Auditors 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. Then the Auditors deliberated the business reports and its annexed detailed statements for FY2010 based on the aforementioned methods.

The Auditors 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, the Auditors 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 the Auditors 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 FY2011 based on the aforementioned methods.

2. Audit result

(1) Business report and other documents

- a. The Board of Auditors 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 Board of Auditors 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 Board of Auditors 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 Board of Auditors 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 16, 2012

The Board of Auditors, Nidec Corporation

Osamu Narumiya	Standing Auditor	Seal
Ryuichi Tanabe	Standing Auditor (Outside)	Seal
Susumu Oono	Auditor (Outside)	Seal
Chihiro Suematsu	Auditor (Outside)	Seal
Kiichiro Kobayashi	Auditor (Outside)	Seal

Reference Document for the General Meeting of Shareholders

Proposal 1: Appointment of nine candidates to the Board of Directors

This Proposal is, as the terms of all of the current nine members to the Board of Directors expire at the end of this General Meeting of Shareholders, to select the following nine candidates as the members to the Company's Board of Directors.

Candidate number	Name Date of birth	Biography, ranks, and positions held in Nidec and other corporations, etc.	Number of the Company's shares in possession
1	Shigenobu Nagamori August 28, 1944	<p>Jul. 1973: Finds Nidec Corporation Representative Director and Chairman, President, and CEO (current position) [Important positions held in Group companies] Representative Director and Chairman, Nidec Motor Holdings Corporation Representative Director and Chairman, Nidec-Shimpo Corporation Representative Director and Chairman, Nidec Seimitsu Corporation Member of the Board and Chairman, Nidec Sankyo Corporation Member of the Board and Chairman, Nidec Copal Corporation Member of the Board and Chairman, Nidec Tosok Corporation Member of the Board and Chairman, Nidec Copal Electronics Corporation Member of the Board and Chairman, Nidec-Read Corporation Member of the Board and Chairman, Nidec Motor Corporation</p>	12,026,664
2	Hiroshi Kobe March 28, 1949	<p>Jul. 1973: Participates in founding of Nidec Corporation Mar. 1982: General Manager, Sales Dept. Nov. 1984: Member of the Board Nov. 1991: Member of the Board and Senior Vice President Apr. 1992: Member of the Board and First Senior Vice President Apr. 2000: Member of the Board and Executive Vice President Apr. 2005: Chief Operating Officer (current position) Jun. 2006: Representative Director and Executive Vice President Jun. 2008: Representative Director and Executive Vice President (current position) [Important positions held in Group companies] Representative Director and Chairman, Nidec Logistics Corporation Representative Director and Chairman, Nidec Total Service Corporation Representative Director and Chairman, Nidec Total Services Corporation</p>	236,268

3	Kenji Sawamura February 15, 1942	April 1964: Joins Nissan Motor Co., Ltd. Jun. 1997: Senior Vice President, Nissan Motor Co., Ltd. Oct. 1998: Joins Nidec Corporation Jul. 1999: Representative Director and Chairman, Nidec (Dalian) Limited Jun. 2000: Member of the Board, Nidec Corporation Apr. 2002: First Senior Vice President Jun. 2006: Member of the Board and Executive Vice President Jun. 2008: Member of the Board and Executive Vice President (current position) [Important positions held in Group companies] Representative Director and Chairman, Nidec (H.K.) Co., Ltd. Member of the Board and Chairman, Nidec India Private Limited Member of the Board and Chairman, Nidec Servo Corporation	8,057
4	*Akira Sato November 02, 1954	Apr. 1977: Joins Nissan Motor Co., ltd. Apr. 2002: Executive Director Jan. 2012: Joins Nidec Corporation First Senior Vice President (current position)	76
5	Tadaaki Hamada August 14, 1948	April 1971: Joins The Mitsubishi Bank, Ltd. (current The Bank of Tokyo-Mitsubishi UFJ, Ltd.) Feb. 2000: Joins Nidec Corporation Apr. 2003: General Manager, International Business Administration (IBA) Dept. Jun. 2004: Member of the Board Apr. 2005: Senior Vice President Jun. 2008: Member of the Board and Senior Vice President Jun. 2009: Member of the Board and First Senior Vice President (current position)	3,650
6	Masuo Yoshimatsu April 28, 1958	Apr. 1982: Joins Mitsubishi Electric Co. Dec. 2000: Member of the Board 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 and General Manager, Finance and Accounting Div., SSP Co., Ltd. Jan. 2008: Joins Nidec Corporation as Executive Consultant Jun. 2008: Member of the Board and Vice President Jun. 2009: Member of the Board and Senior Vice President (current position) [Important positions held in Group companies] Representative Director and Chairman, Nidec Management Shanghai Corporation	3,260
7	*Toshihiko Miyabe June 16, 1958	Apr. 1985: Joins Nidec Corporation Apr. 2006: Member of the Board and President, Nidec Philippines Corporation Jun. 2008: Vice President, Nidec Corporation Apr. 2011: Senior Vice President (current position) [Important positions held in Group companies] Representative Director and Chairman, Nidec (Zhejiang) Co., Ltd. Member of the Board and Chairman, Nidec Electronics (Thailand) Co., Ltd. Member of the Board and Chairman, Nidec Philippines Corporation Member of the Board and Chairman, Nidec Subic Philippines Corporation	4,164

Candidate number	Name Date of birth	Biography, ranks, and positions held in Nidec and other corporations, etc.	Number of the Company's shares in possession
8	Shozo Wakabayashi November 23, 1943	Apr. 1967: Joins the Ministry of Finance Jul. 1994: Chief, Osaka Regional Taxation Bureau Jul. 1996: Secretary-General, Securities and Exchange Surveillance Commission Jun. 1998: Deputy Secretary for development of Okinawa Jul. 2001: Senior Managing Director, Japan Securities Dealers Association Jun. 2004: Representative Director and Chairman, Japan Earthquake Reinsurance Co., Ltd. (current position) Jun. 2010: External Member of the Board, Nidec Corporation (current position)	0
9	*Noriko Ishida August 30, 1948	Apr. 1976: Registered as an attorney at Osaka Bar Association Apr. 1981: Director, Ishida Law Firm (Lion Bashi Law Firm) (current position) Apr. 2001: Deputy Chairperson, Osaka Bar Association Oct. 2008: Chairperson, Osaka City Human Rights Promotion Council (current position) Apr. 2010: Executive Board Member, Japan Federation of Bar Associations May 2010: Association Refugee Examination Counselor	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 of the Company's Board of Corporate Auditors is as follows:
  - (1) Mr. Shozo Wakabayashi and Ms. Noriko Ishida, the candidates to the positions of external members to the Company's Board of Directors, are candidates to the positions of the Company's independent members to the Board in accordance with the regulations of Tokyo Stock Exchange and Osaka Securities Exchange.
  - (2) Reason for selecting the above two persons as candidates to the positions of external members to the Company's Board of Directors:  
We are proposing Mr. Shozo Wakabayashi to be selected as an external member to the Company's Board of Directors because we believe that Mr. Wakabayashi, who has been at various posts including Chief of Osaka Regional Taxation Bureau, 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 external member to the Company's Board of Directors because we believe that Ms. Ishida, who has been at various important posts at Japan Federation of Bar Associations, with her high-level expertise as an attorney over a number of years and abundant experience, 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.
  - (3) The term in office for Mr. Shozo Wakabayashi, the current external Member of Board of Nidec Corporation, shall be two years from the conclusion of this Regular General Meeting of Shareholders.
  - (4) Contract for limitation of liability  
The Company has concluded a contract for limitation of liability with Mr. Shozo Wakabayashi and intends to extend this contract in case he is approved. In addition, in case Ms. Noriko Ishida is approved, the contract shall apply as well, and its outlines are as follows:
    - Should any external 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 Japanese Companies Act.
    - 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 external member to the Company's Board of Directors.
3. \*New candidates.

Proposal 2: Appointment of three candidates to the Board of Corporate Auditors

This Proposal is, as Corporate Auditor Mr. Susumu Oono will resign from his office at the end of this General Meeting of Shareholders, to select the following candidate as a member to the Company's Board of Corporate Auditors.

Consent of the Company's Board of Corporate Auditors has already been granted concerning this Proposal.

The candidate to the position of the Company's Board of Corporate Auditors is as follows:

Name Date of birth	Biography, ranks, and positions held in Nidec and other corporations, etc.	Number of the Company's shares in possession
*Kazuya Murakami January 18, 1955	Apr. 1977: Ministry of Finance Jul. 1983: Chief, Ise Tax Office, Nagoya Taxation Bureau Jul.; 1984: Executive Director to International Monetary Fund (IMF) Jun. 1996: Asia Bureau Chief, European Bank for Reconstruction and Development (EBRD) Jul. 2002: Chief, Fukuoka Branch, Ministry of Finance Jul. 2004: Counselor, Minister's Secretariat (Custom & Tariff Bureau) Jul. 2005: Executive Board Member, EBRD Jul. 2008: Chief, Kanto Bureau, Ministry of Finance Aug. 2009: Executive Board Member, Organization for Small and Medium-sized Enterprises and Regional Innovation (an incorporated administrative agency)	0

Notes:

1. No particular conflict of interests exists between any of these candidates to the Board of Corporate Auditors and the Company.
2. Mr. Kazuya Murakami, who is currently Executive Board Member of Organization for Small and Medium-sized Enterprises and Regional Innovation (an incorporated administrative agency), is expected to resign from the office on June 25, 2012.
3. The information on the candidate to the position of the Company's Board of Corporate Auditors is as follows:
  - (1) Mr. Kazuya Murakami, a candidate to the position of external member to the Company's Board of Corporate Auditors, is a candidate to the position of independent member to the Board in accordance with the regulations of Tokyo Stock Exchange and Osaka Securities Exchange.
  - (2) Reason for selecting the above person as a candidate to the position of external member to the Company's Board of Corporate Auditors:  
We are requesting Mr. Kazuya Murakami to be selected as external member of the Company's Board of Corporate Auditors because we believe that, as he has been working as Chief of the Ministry of Finance's Kanto Bureau and many other important posts, and based on his excellent knowledge, he would be able to provide the Company with advice from an independent position, and that such advice would further enhance the Company's auditing and corporate governance functions.
  - (3) Contract for limitation of liability  
The Company is planning to conclude a contract for limitation of liability with Mr. Kazuya Murakami, who is a candidate to the position of external member to the Company's Board of Corporate Auditor, if he is approved. The outlines of the contract are as follows:
    - Should any external member to the Company's Board of Corporate Auditors 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 Japanese Companies Act.
    - 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 external member to the Company's Board of Corporate Auditors.
4. \*New candidate

**[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.webdk.net>
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 Monday, June 25, 2012. 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 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 6.0 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: 0120-186-417 (09:00 a.m. - 09:00 p.m.)

Other inquiries: 0120-176-417 (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.