Information on the Notice of the 43rd Regular General Meeting of Shareholders for the Fiscal Year 2015 ended March 31, 2016

Notes to the consolidated financial statements
Notes to the non-consolidated financial statements
for the fiscal year 2015 ended March 31, 2016

Nidec Corporation

Of the documents to be provided to our shareholders with this notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are deemed to have been provided to our shareholders by posting on Nidec Corporation's website (http://www.nidec.com/en-global/) in accordance with applicable laws and regulations and Article 15 of Nidec Corporation's Articles of Incorporation. These notes are parts of the consolidated and non-consolidated statements audited by the Audit & Supervisory Board and Accounting Auditors during their process of making audit reports.

Notes to the consolidated financial statements

The amounts in the statements are rounded to the nearest one million yen.

I. Scope of consolidation and application of the equity method

1. Scope of consolidation

   Number of consolidated subsidiaries: 225

   Names of major consolidated subsidiaries:

   Nidec Electronics (Thailand) Co., Ltd., Nidec Singapore Pte. Ltd., Nidec (H.K.) Co., Ltd., Nidec Sankyo Corporation, Nidec Copal Corporation, Nidec Techno Motor Corporation, Nidec Motor Corporation, and Nidec Motors & Actuators (Germany) GmbH

2. Change in the scope of consolidation

   Increase of consolidated subsidiaries: 11

   Decrease of consolidated subsidiaries: 18

3. Application of equity method

   Number of affiliated companies accounted for under the equity method: 4

   Name of the company accounted for under the equity method:

   Nidec Development Philippines Corporation and three other companies

4. Changes in the application of the equity method

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

   Decrease in the number of companies to which the equity method has been applied: 2

5. Matters concerning accounting policies

(1) Standard for the production of consolidated statements

Nidec’s consolidated financial statements, based on the Supplementary Provision of Paragraph 3-1, Article 120 of the Company Calculation Rules, are in accordance with the terms, style, and production method of generally accepted accounting principles in the United States (“U.S. GAAP”). However, in compliance with the regulations of the same Paragraph, part of the descriptions and notes required by U.S. GAAP 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 U.S. GAAP, we comply with FASB Accounting Standards Codification™ (ASC) 320, “Investments-Debt and Equity Securities”, categorize items based on their investing purposes, and evaluate them.

(4) Depreciation method for property, plant, and equipment

Property, plant, and equipment is calculated mainly by the straight-line method

(5) Goodwill and other noncurrent assets

In accordance with ASC 350, “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” is used.

(7) Income taxes, etc.

Nidec uses a tax effect accounting system based on the asset-liability method, and the effect of any change in the tax ratio to the deferred tax assets and to liabilities is recognized as the profit (loss) of the consolidated fiscal year including the date of enactment of the law concerning the change in the tax ratio.

(8) Standard for reserves

Reserve for doubtful accounts

To prepare for bad-debt loss of accounts and loans receivable, etc., the collectibility of general credits is deliberated based on the loan loss ratio, and the collectibility of specific credits such as credits feared to become uncollectible is individually deliberated, before any expected amount of uncollectible loan is recorded.

(9) Retirement and pension costs

In accordance with ASC 715 “Compensation-Retirement Benefits,” and to prepare to provide employee retirement benefits, the costs are allocated based on the fair value of the retirement benefit credits and the pension assets as of the end of the consolidated fiscal year.

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

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

(10) Consumption tax and local consumption tax

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

6. Newly adopted accounting standard

As of April 1, 2015, the Company adopted Accounting Standards Update (ASU) 2014－08 “Presentation of Financial Statements (ASU 205) and Property, Plant, and Equipment (ASC 360): Financial Statements - Discontinued Operations.” ASU2014－08 requires a company to report its constituent or a group of its constituents as a discontinued operation or discontinued operations if the constituent(s) is/are either categorized as a possession for the purpose of sale or is/are disposed of, and if the possession or disposition represents a strategic shift that poses (or will eventually pose) any important effect to the company’s operations and financial performance. In addition to this new requirement of presenting information on discontinued operations, ASU2014－08 also requires a company to present the disposition of any constituent that does not meet the requirement of a discontinued operation but that is important as an individual constituent. The adoption of ASU 2014－08 did not have any impact on the Nidec Group’s consolidated financial position, results of operations or liquidity.

II. Notes to the consolidated balance sheet

1. Reserve for doubtful accounts

Current assets	¥809 million
Noncurrent assets	¥461 million

2. Liability obligation

Guarantee for a customer’s lease contract related to product purchase	¥256 million
Contract bond, etc.	¥9,894 million

3. Assets provided for collateral and liability related to collateral

(1) Assets provided for collateral

Held-to-maturity securities	¥901 million	(-)
Land	¥338 million	(-)
Buildings	¥854 million	(¥854 million)
Machinery and equipment	¥1,552 million	(-)

(2) Collateral-related liability

Short-term loans payable	¥88 million	(¥88 million)
Current portion of long-term debt	¥293 million	(-)
Long-term payable	¥1,033 million	(-)

The figures in parentheses indicate plant mortgages and the obligations.

III. Notes to the consolidated statements of shareholders' equity

1. Class and number of issued stocks as of the end of the consolidated fiscal year

   Common stocks: 298,142,234

2. Distribution of surplus

   (1) Dividends paid

(Resolution)	Class of stock	Total dividend	Dividend per share	Record date	Effective date
Board of Directors Meeting on May 27, 2015	Common stock	¥11,764 million	¥40	March 31, 2015	June 03, 2015
Board of Directors Meeting on October 21, 2015	Common stock	¥11,925 million	¥40	September 30, 2015	November 30, 2015

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

(Expected resolution)	Class of stock	Total dividend	Dividend resource	Dividend per share	Record date	Effective date
Board of Directors Meeting on May 25, 2016	Common stock	¥11,864 million	Retained earnings	¥40	March 31, 2016	June 02, 2016

IV. Notes to financial commodities

1. Matters on the circumstance concerning financial commodities

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

2. Matters on the actual values of financial commodities

The estimates of the carrying and fair values of financial commodities as of the end of the fiscal year 2015 are as follows:

Yen in millions

	Carrying value	Estimated fair value
Assets and liabilities		
Cash and cash equivalents	305,942	305,942
Short-term investments	1,947	1,947
Long-term investments	38	38
Short-term loans receivables	49	49
Securities	14,409	14,418
Long-term loans receivables	134	135
Short-term loans payable	(81,092)	(81,092)
Long-term liabilities (including the current portion of long-term debt, and excluding capital lease liabilities)	(60,941)	(61,066)
Corporate bonds (including ones redeemable within one year)	(150,000)	(151,541)
Derivatives	(1,307)	(1,307)

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

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

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

(2) Long-term investments

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

(3) Securities

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

(4) Long-term loans receivables

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

(5) Long-term liabilities

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

(6) Corporate bonds

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

(7) Derivatives

Derivatives are commodities futures contracts and other financial commodities such as exchange contracts and currency swap agreements, and valuated based on their reasonable prices obtained from business partners or third parties. Also, commodity futures contracts are valuated based on market values not requiring adjustment in active markets where a sufficient volume of transactions take place frequently. Additionally, exchange contracts, currency swap agreements, etc. are valuated based on reasonable prices obtained from business counterparts or third parties.

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

V. Notes to per-share information

1. Shareholders’ equity per share:	¥2,576.59
2. Current net profit per share attributable to Nidec’s shareholders:	¥309.32

VI. Notes to business combinations

The provisions of ASC 805, “Business Combinations,” were applied. Among the assets the Company obtained via the purchases and the liabilities the Company succeeded during this consolidated fiscal year, the assets and liabilities currently under valuation are based on the preliminary estimation as of March 31, 2016.

VII. Notes to important subsequent events

Execution of a share purchase and transfer agreement with ANA IMEP S.A.

Nidec Sole Motor Corporation S.R.L., a subsidiary of Nidec Corporation, agreed to acquire approximately 94.8% of the shares of ANA IMEP S.A. (“IMEP”), a non-public company in Romania, from its major shareholder, and entered into a share purchase and transfer agreement with the major shareholder of IMEP on April 21, 2016 (local time in Romania).

1. Purpose	IMEP develops, manufactures, and sells washing machine and drying machine motors. Through the Transaction, the Company expects to enhance the competitiveness of its appliance motor business, one of key business areas in the Nidec Group, in the European market and obtain IMEP’s major customers. In addition, the Company intends to build up a major manufacturing base in a cost-efficient country for its Appliance, Commercial and Industrial Motors business (“ACIM”).
2. Method and timing of acquisition	The Company will use its own fund for this acquisition, and expects to obtain IMEP’s shares sometime during period between late May to early June 2016.

Notes to non-consolidated Financial Statements

The amounts in the statements are rounded to the nearest one million yen.

I. Important accounting policy

1. Valuation bases and methods of securities

(1) Stocks of subsidiaries and affiliated companies

(i) Stocks of subsidiaries and affiliated companies

Cost method by the moving average method

(ii) 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

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. Depreciation method for fixed assets

(1) Property, plant, and equipment (except for lease assets)

The straight-line method

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

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

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

(3) Lease assets

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

3. Reserve allocation standards

(1) Reserve for doubtful accounts

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

(2) Reserve for employee bonuses

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

(3) Retirement reserve

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

For actuarial gaps, based on the straight-line method for a certain number of years (5 years) 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 years) within the number of average remaining working hours for employees at the time of occurrence.

4. Other important matters for making financial statements

(1) Deferred assets

Deferred assets are all processed as costs at payment.

(2) Base to convert foreign-currency-denominated assets and liabilities into the Japanese yen

Foreign-currency-denominated receivables and payables are converted into the Japanese yen based on the actual currency exchange rate as of the end of the closing date, and translation adjustments are processed as profit or loss.

(3) Important hedge accounting method

(i) Hedge accounting method

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

(ii) Hedging instrument and hedged item

Hedging instrument

Interest rate swap

Hedged item

Loans payable

(iii) Hedging policy

Hedge interest rate fluctuations in interest rate swap transactions.

(iv) Method of evaluating hedge effectiveness

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

(4) Accounting of consumption tax, etc.

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

(5) Adoption of the consolidated taxation system

The consolidated taxation system is used.

II. Notes to the balance sheets

1. Monetary claims and liabilities to affiliated companies

Short-term monetary claims:	¥131,202 million
Long-term monetary claims:	¥7,048 million
Short-term monetary liabilities:	¥53,672 million
Long-term monetary liabilities:	¥57 million

2. Accumulated amount of depreciation of property, plant, and equipment: ¥19,977 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:

¥2,922 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:

¥2,267 million

5. Loan commitment

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

Total of loan limits:	¥43,973 million
Executed loans outstanding:	¥25,009 million
Balance on unexecuted loans outstanding:	¥18,964 million

6. Contingent obligation

(1) The Company provides the following subsidiaries with guarantee for borrowed indebtedness of finance for their lease contracts:

Nidec (Dalian) Limited	¥493 million
Nidec Copal (Zhejiang) Co., Ltd.	¥128 million
Nidec Sankyo (Zhejiang) Corporation	¥22 million
Nidec Sankyo Electronics (Dongguan) Corporation	¥106 million
Nidec Copal (Thailand) Co., Ltd.	¥82 million

(2) The Company provides the following subsidiary with guarantee for borrowed indebtedness of finance for its borrowings from correspondent financial institution and other organizations: ¥119 million

Nidec India Private Limited

III. Notes to the profit and loss statement

Business transactions with affiliated companies

Sales	¥198,559 million
Cost of products purchased	¥178,338 million
Selling, general and administrative expense	¥11,681 million
Non-sales transactions	¥17,811 million

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

Class and number of treasury stocks (Unit: shares)

Class of Stock	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Common stock	36	1,543,654	2,480	1,541,210

Notes:

1. The increase of 1,543,654 shares in the number of common stocks held in treasury is due to the own share repurchase of 1,539,600 shares based on a resolution of the Board of Directors, and odd-lot share repurchase of 4,054 shares.
2. The decrease of 2,480 shares in the number of common stocks held in treasury is due to the deposition of the shares by exercising the share warrant attached to the Euro Yen Convertible-Bonds-Type Bonds with Stock Acquisition Rights Due 2015.

V. Notes to the tax effect accounting

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

Deferred tax assets (current)	
Disallowed provisions for bad debts	¥88 million
Disallowed provisions for accrued bonus	¥670 million
Write-down of inventories	¥57 million
Disallowed accrued expense	¥431 million
Other	¥212 million
Total deferred tax assets (current)	¥1,458 million
Deferred tax assets (noncurrent)	
Surplus over the limit of deductible expenses of bad debt reserve	¥137 million
Valuation loss on investment securities	¥4 million
Disallowed depreciation	¥313 million
Accrued retirement benefit to directors	¥5 million
Impairment loss of subsidiary stocks and investments	¥4,061 million
Loss carried forward	¥739 million
Other	¥205 million
Subtotal deferred tax assets (noncurrent)	¥5,464 million
Valuation reserve	(¥4,152 million)
Total deferred tax assets (noncurrent)	¥1,312 million
Deferred tax liabilities (noncurrent)	
Valuation difference on available-for-sale securities	¥666 million
Prepaid pension cost	¥336 million
Total deferred tax liabilities (noncurrent)	¥1,002 million
Deferred tax assets, net (noncurrent)	¥310 million

VI. Notes to 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	Transaction amount (Yen in millions)	Account title	Balance at the end of term (Yen in millions)
Subsidiary	Nidec Electronics (Thailand) Co., Ltd.	Direct: 99.9%	Royalty contract Purchase of the products of Nidec Electronics (Thailand) Co., Ltd. Director dispatched to the subsidiary	Royalty income	11,569	Accounts receivable-trade	12,069
				Purchase of motors	35,290	Accounts payable-trade	4,751
Subsidiary	Nidec Singapore Pte. Ltd.	Direct: 100.0%	Sales of the Company's products Director dispatched to the subsidiary	Sales of motors	64,868	Accounts receivable-trade	12,042
Subsidiary	Nidec (H.K.) Co., Ltd	Direct: 100.0%	Sales of the Company's products Director dispatched to the subsidiary	Sales of motors	66,263	Accounts receivable-trade	18,871
Subsidiary	Nidec Sankyo Corporation	Direct:100.0%	Receiving deposits Director dispatched to the subsidiary	Repaying funds CMS transaction (Repayment)	1,443 6,194	Deposits	10,382
Subsidiary	Nidec Copal Corporation	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	Loaning funds CMS transaction (Recovery)	3,718 595	Short-term loans receivable from subsidiaries and affiliates	7,755
Subsidiary	Nidec Techno Motor Corporation	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	CMS transaction (Loaning)	4,288	Short-term loans receivable from subsidiaries and affiliates	11,936
Subsidiary	Nidec Motors & Actuators (Germany) GmbH	Direct: 100.0%	Loaning funds Director dispatched to the subsidiary	Recovery of funds	445	Short-term loans receivable from subsidiaries and affiliates	21,709
Subsidiary	Nidec Philippines Corporation	Direct: 99.9%	Purchase of the products of Nidec Philippines Corporation Director dispatched to the subsidiary	Purchase of motors	26,425	Accounts payable-trade	6,521
Subsidiary	Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.	Indirect: 100.0%	Purchase of the products of Nidec Seimitsu Motor Technology (Dongguan) Co., Ltd.	Purchase of motors	26,618	Accounts payable-trade	-
Subsidiary	Nidec Electronics GmbH	Indirect: 100.0%	Purchase of the products of the Company Director dispatched to the subsidiary	Sales of motors	31,696	Accounts receivable-trade	14,300
Subsidiary	Nidec Automobile Motor (Zhejiang) Corporation	Direct: 76.9% Indirect: 23.0%	Purchase of the products of Nidec Automobile Motor (Zhejiang) Corporation Director dispatched to the subsidiary	Purchase of motors	30,178	Accounts payable-trade	4,336
Subsidiary	Nidec-Shimpo Corporation	Direct: 100.0%	Receiving dividends Director dispatched to the subsidiary	Receiving dividends*[5]	9,230	-	-

Category	Company name	Voting ratio (possessing/ being possessed)	Relationship	Detail of business	Transaction amount (In ¥1 million)	Account title	Balance at the end of term (Yen in millions)
Subsidiary	Nidec Americas Holdings Corporation	Direct: 100.0%	Accepting investments Director dispatched to the subsidiary	Accepting investments*6	9,230	-	-

Notes:

1. The consumption tax is not included in the "Transaction amount" section, but it is included in the "Balance at the end of term" section.
2. Terms and conditions of transaction and policy to determine them, etc.: The above terms and conditions of transaction for each company are based on the Company's purchase and sales management policy, which equally apply to other suppliers.
3. The lending and borrowing interests to the above companies were reasonably decided based on the contract that considers the interest rate at the market.
4. The Company is using a cash management system (CMS), and, to express the Company's CMS transactions clearly, the amounts from business transactions described herein are on the net basis.
5. The Company received the dividends as dividends in kind of all the shares of Nidec Minster Corporation.
6. The Company accepted investments by investing in kind all shares of Nidec Minster Corporation to Nidec Americas Holdings Corporation, and acquired the company's shares in return.

VII. Notes to per-share information

1. Net assets per share ¥1,174.83
2. Current net income per share ¥59.49

VIII. Notes to important subsequent events

N/A.