

**NOTICE OF  
THE 32<sup>nd</sup> ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**to be held in Kyoto, Japan**

**on June 23, 2005**

This is a translation from the Japanese notice circulated to shareholder in Japan.

**Nidec Corporation**

Kyoto, Japan



# Appendix to the Notice of the 32<sup>nd</sup> Annual General Meeting of Shareholders

## Business Report for the 32<sup>nd</sup> Fiscal Period (Fiscal year from April 1, 2004 to March 31, 2005)

### 1. Overview of the Business

#### 1. Business progress and results of the Business Group

##### (1) Overall Conditions

Our business in the fiscal year of 2004 has expanded smoothly due to the worldwide expansion of the IT digital market and demands by recovery of capital investment in the Japanese economy. However, in the latter half of the year, our business was adversely affected to the larger extent by surge of oil price and steep rise of materials caused by shortage of raw materials resulted from sustained high growth of the Chinese economy in addition to inventory adjustment of IT digital products and falling of selling prices of products. Amid these management environments, the consolidated performance of the Company reached the record high net sales and profit. In the field of precision small motors, new technologies and new products were introduced by which the businesses were expanded smoothly throughout the year. The improved business of Sankyo Seiki Mfg. Company Limited that is the main point in this year has produced unexpected results due in part to buoyant development of the robot business for LCDs. Further, in the first half period, electronic and optical components business and machinery business have expanded the performances largely due to steady demand related to IT devices and capital investment. In these business fields, however, steep rise of raw materials such as steel products, and inventory adjustment and price decline in the IT market have slowed down the enlargement of the business performances.

In spite of those situations, the consolidated performance in the current year has surpassed the anticipation that was augmented in the midst of the year, against which the net sales and profit have increased to the larger extent compared to the previous year. The net sales and profit have reached a record-high level respectively. The net sales has posted 485 billion 861 million Yen, 75.1% increase compared to the previous year, and the operating profit 53 billion 665 million Yen, 143.8% increase compared to the previous year. The consolidated net income in the current year is 33 billion 455 million Yen that is doubled profit or more compared to the previous year.

Financially, the Company increased and reinforced the capital by public offering of five million shares in June of the last year (incidentally 620 thousand shares were allocated to a third party in July).

##### (2) Sales per business

[Small precision motors]

Net sales of small precision motors is 222 billion 714 million Yen that is increase of approximately 50 billion 200 million Yen (29.1%) comparing to the previous year. Sale of motors for HDDs is increase by 11.5% but the sales volume is increase of 20.4%. Accordingly, average selling price in terms of Japanese Yen is decline of 9% or less comparing the previous year. However, as the level of the exchange rate during the current period is appreciation of Yen at about 5%, it is judged that the price is decline in terms of US Dollar at about 4% per annum. The factor of modest decline of average sales price is attributable to increase of sales volume of high priced products less than 1.8 inches. Net sales of other DC motors (inclusive of those for DVDs) showed increase at about 79% comparing the previous year since the sale by Sankyo Seiki Mfg. Company Limited, etc. is added with expanded scope of consolidation. However, the sale by the Company only is increase at about 8% comparing the previous year, and increase at about 25% in volume, which shows smooth progress. Decline of the average selling price is about 14% per annum but includes affect of appreciation of Yen and change in structure of sales. Net sales of fan motors is slightly affected by the widened scope of consolidation by

which it is increased about 30% comparing to the previous year. The increase of the sales is attained mainly by the sales by the Company, owing to which the net sales is increased about 32% comparing to the previous year. However, the sales in terms of volume increased only about 11% comparing to the previous year since the increase is brought by high-priced products such as motors for high quality PCs or for servers, and for high-end MPU coolers.

[Mid-size motors]

Net sales of medium size motors is 35 billion 564 million Yen that is the increase of sales of about 3 billion Yen (9.2%) comparing to the previous year. The factor of the increase is attributable to increase of sale of home electronics motors such as air conditioners. Net sales of motors for power steering remained unchanged comparing to the previous year since the motors were changed into those which were not equipped with an electronic control device in the midst of the previous year. Especially, in the latter half of the current year, sales and orders of motors for both of home and industrial use are remarkably diminished.

[Machinery]

Net sales of machinery is 76 billion 957 million Yen that is increase of about 45 billion 700 hundred million Yen (146%). Among them, 39 billion 400 hundred million Yen is attained by the sales of Nidec Copal Corporation and Sankyo Seiki Mfg. Company Limited due to expansion of the consolidation. The fields of the businesses are digital information devices and equipment related to LCD. The balance of 6 billion 300 million Yen comes from the products related to capital investment such as precision press of Nidec-Kyori Corporation, inspection equipment of Nidec-Read Corporation, various kinds of semiconductor manufacturing equipment of Nidec Tosok Corporation and Nidec Copal Corporation that are consolidated companies as in the past. The sale is increase of 23% comparing to the previous year. However, sale and order has decreased rapidly in the forth quarter in the current period.

[Electronic and optical components]

Electronic and optical components are the new field recorded from this year upon expanded consolidation. The products of Sankyo Seiki Mfg. Company Limited, Nidec Copal Corporation, Nidec Copal Electronics Corporation and Nidec Nemicon Corporation are included. The net sales of this business in the current period is 128 billion 417 million Yen (Note: the products of Nidec Nemicon Corporation were included in "other" business till the previous period).

[Others]

The net sales is 22 billion 209 million Yen that is increase of 23.3% comparing to the previous period. Increased amount of the net sales is about 4 billion 200 million Yen that is mainly attained by the sale of auto parts of Nidec Tosok Corporation.

Category	32 <sup>nd</sup> (From April 2004 to March 2005)		
	Sales (Millions of yen)	Percentage of Total sales	Percentage of Year to year comparison
Small precision motors	222,714	45.8	129.1
Mid-size motors	35,564	7.4	109.2
Machinery "Equipment & devices"	76,957	15.8	246.3
Electronic and optical components	128,417	26.4	553.8
Others	22,209	4.6	123.3
Total	485,861	100.0	175.1

Notes: 1. All amounts less than ¥1 million are rounded off.

2. The consolidated financial document is prepared from this year in accordance with the accounting principle accepted in the United States (such as opinion of accounting principle council, standards of financial and accounting principle council) in accordance with Article 179 Clause 1 of the Implementation Rules of the Commercial Code. As simple comparison with the former standard is difficult, figures compared to the previous year in "I. Overview of the Business, 1. Business progress and results of the business group" are those ones that are prepared in the same standard with that of this year.

## 2. Forecast and problems to be tackled by the Business Group

The environment surrounding our business in the year of 2005 worsens at present. In addition to the recession of the Us economy that affects Japanese companies significantly, it is not clear how to cope with fluctuation of exchange and the bottle neck in supply of raw materials in the Chinese economy. Further, it is concerned that its political instability might affect the business activities unexpectedly. It might affect substantially our business whether the inventory adjustment in the field of digital information equipment that has shown smooth progress is terminated or procrastinated or whether the misfit between product price and raw material price is resolved or enlarged. In spite of drastically changing business environment, our group is determined to challenge for new growth with widening the field of the driving technology not to speak of the motor business. In addition, we are expecting further growth of the machinery business and electronic and optical components business of the group companies keeping in pace with the economic recovery in general. Our concrete task in this year is to enhance our profitability upon further cost cut in all the businesses in spite of the market condition mentioned above. Furthermore, we are determined to innovate and promote the corporate organizations and systems on a continuous basis in order to discharge the corporate social responsibility requested to perform by a company.

## 3. Fund raising by Business Group

We have raised the fund upon issuance of new shares by public offering and capital increase by allocation of new shares to a third party for the purpose of working capital and expansion of the group as well as debenture redemption and acquisition of facilities.

Category:	Issuance of new shares of Nidec Corp. by public offering
Number of issued new shares:	5,000,000 shares
Issuing price:	10,704.07 Yen per share
Total amount of issuing price:	53,523,000,000 Yen
Date of payment:	June 17, 2004

Category:	Issuance of new shares of Nidec. Corp. to a third party
Number of issued new shares:	620,000 shares
Issuing price:	10,704.70 Yen per share

Total amount of issuing price:

6,637,000,000 Yen

Date of payment:

July 15, 2004

No other fund raising by the business group.

#### 4. Capital Expenditures

Total amount of capital investment in the current year is 36 billion 383 million Yen.

Mainly 9 billion 30 million Yen was invested in facilities related to manufacturing of FDB in small precision motors and 3 billion 947 million Yen was invested in head office of Nidec Tosok Corporation, Ina factory of Sankyo Seiki Mfg. Company Limited and Tokyo New Building of the Company, all of which is for enhancement of domestic strongholds.

In addition to the above, investment has been made in facilities for development of new products and rationalization for labor saving.

#### 5. Business results and financial condition of the Company and Business Group

##### (1) Business results and financial condition of the Company and Business Group

Category	29 <sup>th</sup> Period (From Apr.2001 to March 2002)	30 <sup>th</sup> Period (From Apr.2002 to March 2003)	31 <sup>st</sup> Period (From Apr.2003 to March 2004)	32 <sup>nd</sup> Period (From Apr.2004 to March 2005)
Net sales (in millions of yen)	281,069	298,641	329,003	485,861
Recurring profit (in millions of yen)	16,206	22,861	31,078	53,665
Net income (in millions of yen)	6,461	6,485	11,448	33,455
Net income per share (in yen)	101.67	100.08	176.20	479.74
Total assets (in millions of yen)	299,013	305,318	433,706	484,173
Net assets (in millions of yen)	89,551	90,142	104,681	207,040
Net assets per share (in yen)	1,408.87	1,416.14	1,607.93	2,906.37

- Notes:
1. All amounts above less than ¥1 million Yen are rounded off from the period beginning from March 2005. The figures prior to the period beginning from March 2004 were truncated.
  2. The Company prepares the consolidated financial documents from the current period in accordance with Article 19,2 of "Law on Exemption of the Commercial Code relating to Audit, etc. of a Company Limited with liabilities by shares". Accordingly, the figures in each period from 29<sup>th</sup> through 31<sup>st</sup> period is based on the consolidated financial documents not audited by the board of corporate auditors and accounting auditors specified in Clause 3 of said Article.
  3. The consolidated financial statement is prepared from this period in accordance with the accounting principle accepted in the United States (such as opinion by accounting principle council and standard documents by a financial accounting standards council) in accordance with Article 179 Clause 1 of the Implementation Rules of the Commercial Code. The figures in each period from 29<sup>th</sup> through 31<sup>st</sup> period are based on the prior standards.
  4. Net income per share in the current period is calculated in accordance with the number of outstanding shares averaged in the period and net asset per share in accordance with the number of outstanding shares at the end of the period, respectively.
  5. As "accounting standard on net income per share in a current term" (No.2 of corporate accounting standard) and "Guideline on application of accounting standard relating to net income per share in a current term" (Guideline No. 4 on application of corporate accounting standard) are applied to a business year commencing on and from April 1, 2002, net income per share and net asset per share from the 30<sup>th</sup> period are calculated in accordance with said accounting standard and applicable Guideline.

- In the year of 2001, collapse of the myth of growth in IT telecommunications sector in the United States cast dark shadow. Our net sales increased only 12.8% but net income in the current term decreased 35.1% in spite of development of the motor business in the FDB business and the effect of depreciation of Yen due to slowdown of demand for capital investment.
- In the year of 2002, although the Japanese economy suffered the deflation continuously, the motor business remained strong relatively. However, the net sales increased 6.3% and net income in the period increased only 0.4% due to the sagging machinery market.

- In the year of 2003, due to bright trend brought by the recovery of the US economy and Chinese economy growing solidly, the net sales increased 10.2% and net income in the period increased 76.5% owing mainly to booming in other segments.
- The situation in the year of 2004 (current period) is as shown in "I. Overview of the Business, 1. Business progress and results of the business group".

## (2) Transition of business results and financial condition of companies for which consolidated accounting documents are prepared

Category	29 <sup>th</sup> Period (Apr.2001 to March 2002)	30 <sup>th</sup> Period (Apr.2002 to March 2003)	31 <sup>st</sup> Period (Apr.2003 to March 2004)	32 <sup>nd</sup> Period (Apr.2004 to March 2005)
Net sales (in millions of yen)	124,884	129,164	118,636	130,351
Recurring profit (in millions of yen)	11,242	7,252	4,785	13,468
Net income (in millions of yen)	7,316	4,965	2,695	12,425
Net income per share (in yen)	115.11	77.04	40.83	176.03
Total assets (in millions of yen)	165,253	168,871	217,141	261,575
Net assets (in millions of yen)	84,624	88,039	100,125	174,447
Net assets per share (in yen)	1,331.35	1,383.93	1,539.07	2,446.73

- Notes:
1. All amounts above less than ¥1 million Yen are rounded off from the period beginning from March 2005. The figures prior to the period beginning from March 2004 were truncated.
  2. Net income per share in the period concerned is calculated in accordance with the number of outstanding shares averaged in the period and net asset per share in accordance with the number of outstanding shares at the end of the period, respectively.
  3. As "accounting standard on net income per share in a current term" (No.2 of corporate accounting standard) and "Guideline on application of accounting standard relating to net income per share in a current term" (Guideline No. 4 on application of corporate accounting standard) are applied to a business year commencing on and from April 1, 2002, net income per share and net asset per share from the 30<sup>th</sup> period are calculated in accordance with said accounting standard and applicable Guideline.

## 2. Overview of the Company (as of March 31, 2005)

### 1. Main business lines of the Business Group

We are manufacturing and selling mainly spindle motors for computer HDDs, and small precision motors used in computer peripherals, office automation equipments and home appliances and other equipments. We also manufacture and sell mid-size motors mounted in a car and for industry, FA related equipment and equipment for transmission and reducer, electronic and optical components, HDD pivot assemblies, automobile parts, music boxes, etc., and offer annexed services such as insurance and physical distribution.

Business lines	Description
Small precision motors	Small precision DC motor, small precision fan, vibrating motor, materials
Mid-size motors	For home appliance, industrial equipment, and automobile
Machinery	Transmission and reducer, FA related equipment
Electronic and Optical components	Electronic components, optical components
Others	Pivot assembly, music box, automobile parts, materials, annexed services

## 2. Main offices of the Business Group

(as of March 31, 2005)

<b>Corporate head office:</b>	Minami-ku, Kyoto
<b>Business branches:</b>	Kyoto, Tokyo, Osaka, Nagoya, Kanagawa, Fukuoka, Hiroshima, Nagano, Shizuoka, U.S.A., Germany, U.K., Singapore, China, South Korea, Taiwan, Indonesia, Malaysia, India, Philippines
<b>Other branches/companies:</b>	
Sankyo Seiki Mfg. Co., Ltd.	Nagano
Nidec Copal Corp.	Tokyo
Nidec Tosok Corp.	Kanagawa
Nidec Copal Electronics Corp.	Tokyo
Nidec-Read Corp.	Kyoto
Nidec Power Motor Corp.	Fukuoka
Nidec Shibaura Corp.	Fukui
Nidec Electronics (Thailand) Co., Ltd.	Thailand
Nidec (Dalian) Ltd.	China
Nidec Philippines Corp.	Philippines
Nidec Singapore Pte. Ltd.	Singapore

## 3. Shares (as of March 31, 2005)

(1) Number of shares authorized to be issued ..... 240,000,000 shares

(2) Number of shares issued ..... 71,252,463 shares

Notes: 1. Number of shares increased by 570,665 shares upon conversion of the second unsecured convertible bonds issued on January 28, 1999 during the period.

2. New shares of 5,000,000 were issued by public offering on June 17, 2004.

3. Shares of 620,000 were issued upon allocation to a third party on July 15, 2004.

4. The shares increased by 43,900 during the period upon exercise of the subscription right of new shares, resolution for which was made on May 14, 2003.

(3) Number of shareholders at the end of the period ..... 11,373

## 4. Major shareholders:

Name	Share ownership (in thousands of shares)	Voting ratios	Our investment in major shareholder (in thousands of shares)	Voting ratios
The Master Trust Bank of Japan, Ltd.	7,148	10.05 %	—	— %
Japan Trustee Service Bank, Ltd.	6,612	9.29	—	—
Shigenobu Nagamori	5,971	8.39	—	—
S-N Kohsan Ltd.	4,433	6.23	—	—
State Street Bank & Trust Company	3,330	4.68	—	—
The Kyoto Bank, Ltd.	2,904	4.08	844	0.25
Dai-ichi Life Insurance Company	2,318	3.26	—	—
Trust & Custody Services Bank, Ltd.	2,188	3.08	—	—
The Chase Manhattan Bank	1,996	2.81	—	—
Meiji Yasuda Life Insurance Company	1,696	2.38	—	—

Notes: 1. A fraction of shares less than one thousand is truncated and ratio of voting right is rounded off to the nearest hundredths place.

2. All the shares held by The Master Trust Bank of Japan, Ltd. pertain to the trust business. Of the share ownership, 175 thousand shares held by The Tottori Bank, Ltd. and 100 thousand shares held by the Hachijuuni Bank, Ltd. are contributed to trust for retirement benefits.

3. All the shares held by Japan Trustee Service Bank, Ltd. pertain to the trust business.

4. All the shares held by State Street Bank & Trust Company pertain to the trust business.

5. All the shares held by Trust & Custody Services Bank, Ltd. pertain to the trust business.

6. All the shares held by The Chase Manhattan Bank pertain to the trust business.

## 5. Acquisition, disposal and holding of treasury shares

1)	Acquired shares	
	Acquisition by purchase of odd-unit shares	
	Common shares	4,625 shares
	Total amount for acquisition	55 million yen
	Of the above,	
	A. Shares purchased from particular Shareholders.	
	No pertinent figures	
	B. Shares purchased upon resolution of the Board of Directors	
	No pertinent figures	
2)	Disposed shares	
	Common shares	3,383 shares
	Total amount of disposed values	31 million Yen
	Notes: Treasury shares were appropriated upon exchange of shares in lieu of issuance of new shares in order to consolidate Nidec-Kyori Corporation as full owned subsidiary upon resolution of the Board of Directors held on October 8, 2004.	
3)	Shares held in the accounting term	
	Common shares	15,602 shares

## 6. Acquisition rights of new shares.

1) Acquisition rights issued up to the present

Date of resolution	May 14, 2003	September 30, 2003
Number of acquisition rights	2,373 rights	15,000 rights
Types of shares to be issued upon Exercise of Acquisition Rights	Nidec common shares	Nidec common shares
Number of shares to be issued upon Exercise of Acquisition Rights	237,300 shares	1,500,000 shares
Price of issuing acquisition rights	Without compensation	Without compensation

Notes: 1. The acquisition right resolved on May 14, 2003 was issued to the directors, corporate auditors and employees of the Company and subsidiaries as a stock option.

2. The acquisition right resolved on September 30, 2003 was attached to convertible type bonds with acquisition right but not assignable separate from the bonds. If the right is exercised, it is deemed as substitute payment by bond was made, and the issuing price is ad gratis in view of marketability of the bonds with acquisition right.

## 7. Employees

(1) Employees of the Business group

(as of March 31, 2005)

Category	Number of employees	Increase (decrease) over the previous year
Total	70,169	10,571

Notes: In addition to the employees above, 16,714 temporary workers work for the group.

(2) Employees of the Company

(as of March 31, 2005)

Category	Number of employees	Increase (decrease) over the previous year	Average age	Average term of employment
Total	1,587	93	33.8	7.6

Notes: In addition to the employees above, 65 temporary workers work for the group.

## 8. Major consolidated companies

### (1) Main subsidiaries

(as of March 31, 2005)

Company name	Capital stock	Voting ratio	Principal business
Sankyo Seiki Mfg. Co., Ltd.	¥35,270 million	56.14% * (2.12 %)	Manufacture and sale of machinery & tools for consumer electronics, housing equipment, IT peripherals, industries and others
Nidec Copal Corporation	¥11,080 million	See Notes 3 53.62 % * (0.80 %)	Manufacture and sales of optical equipment, electronics equipment, information equipment, etc.
Nidec Tosok Corporation	¥3,287 million	58.63 % * (2.03 %)	Manufacture and sales of automobile components, automatic measuring equipment and electronic equipment
Nidec Copal Electronics Corporation	¥2,362 million	51.14 %	Manufacture and sales of electronic circuits components, pressure sensors, actuators, etc.
Nidec-Read Corporation	¥938 million	See Notes 4 58.21 % *(43.86 %)	Manufacture and sales of PCB testing systems, LCD and related testing systems, automatic measurement/control systems, etc.
Nidec Shibaura Corporation	¥1,000 million	100.00 %	Manufacture and sales of household and automobile motor components.
Nidec Power Motor Corporation	¥1,000 million	83.52 %	Manufacture and sales of small and mid-size motors for various purposes.
Nidec Singapore Pte. Ltd.	US\$4,656 thousand	100.00 %	Sales of small precision motors and electronic products and components; and manufacture and sales of small precision motors and pivot assemblies
Nidec Electronics (Thailand) Co., Ltd.	TB1,950,000 thousand	100.00 %	Manufacture and sales of small precision motors
Nidec Philippines Corporation	PP1,400,000 thousand	100.00 %	Manufacture and sales of small precision motors and their components
Nidec (Dalian) Limited	US\$32,500 thousand	100.00 %	Manufacture of small precision motors and their components
Nidec Taiwan Corporation	NT\$5,000 thousand	100.00 %	Sales of small precision motors and electronic products and components

Notes: 1. The capital and contributed funds are indicated upon rounding off at the nearest unit.

2. The parenthesis in the column of ratio of voting right indicates the ratio of the voting right held by subsidiaries of the Company.  
\* indicates totaled ratio of the voting right held by subsidiaries of the Company.

3. In addition to the indication of the voting right of Nidec Copal Corporation, there are 401 thousand shares (0.64% of the ration of the voting right) contributed by Nidec-Shimpo Corporation to The Sumitomo Trust & Banking Co., Ltd. for trust of retirement benefits.

4. In addition to the indication of the voting right of Nidec-Read Corporation, there are 515 thousand shares (7.36% of the voting right) contributed by the Company to The Sumitomo Trust & Banking Co., Ltd. for trust of retirement benefits.

### (2) Progress of corporate consolidation

- The Company purchased 1,000 thousand shares of Sankyo Seiki Mfg. Company Limited from Nidec Shibaura Corporation at the price of 857 million Yen on February 23, 2005. Further, the Company purchased 8,251 thousand shares of Sankyo Seiki Mfg. Company Limited at the price of 8,027 million Yen in the market.
- The Company purchased 1,983 thousand shares of Nidec Copal Corporation at the price of 3,340 million Yen in the market.
- The Company purchased 162 thousand shares of Nidec Tosok Corporation at the priced of 304 million Yen in the market.
- The Company purchased 28 thousand shares of Nidec Copal Corporation at the price of 72 million Yen in the market.
- The Company purchased 11 thousand shares of Nidec-Read Corporation at the price of 13 million Yen in the market.
- Nidec (Zhejiang) Corporation increased the capital with each US\$ 4 million on June 25, 2004 and December 24, 2005 respectively, to which the Company paid up.

7. Nissin Kohki Company Limited purchased additionally 840 thousand shares of Taiwan Nissin Koki Company Limited at the price of 52 million Yen upon which the latter is consolidated as a subsidiary.
8. Trade name of Sankyo Kaihatsu Company Limited was changed to Sankyo Total Service Company Limited upon consolidation with Sakyo Cuoris Company Limited on April 1, 2004.
9. Nidec Total Service Corporation purchased whole shares of Sankyo Total Service Company Limited, wholly owned subsidiary of Sankyo Seiki Mfg. Company Limited on August 9, 2004 and merged and consolidated the company on October 1, 2004.
10. Nidec Nemicon Corporation sold whole shares of Nemikon Noise Company Limited on June 18, 2004.
11. Nidec Power Motor Corporation established and paid up US\$ 2 million for Nidec Power Motor (Zhejiang) Co., Ltd. on July 12, 2004 and US\$ 4 million on September 30, 2004.
12. Nidec Logistics Corporation established and paid up fully for Nidec Logistics Consulting (Pinghu) Corporation on September 1, 2004.
13. Sankyo Seiki Mfg. Company Limited established and paid up fully for Sankyo Seiki Fuzhou (H.K.) Company Limited on August 16, 2004.
14. The Company sold one hundred shares of Nidec Logistics Corporation to Sankyo Seiki Mfg. Company limited at the price of 4 million Yen.
15. The Company purchased 221 thousand shares of Nidec-Kyori Corporation at the price of 65 million Yen. Further, the Company exchanged the shares in proportion to one share of Nidec-Kyori Corporation to 0.031 share of the Company on March 1, 2005 and consolidated the company as a fully owned subsidiary. For the purpose of share allocation, treasury shares of the Company were used.
16. The Company purchased 4 thousand shares of Nidec Nemicon Corporation at the price of 14 million Yen.
17. The Company purchased 71 thousand shares of Nissin Kohki Company Limited at the price of 248 million Yen.

### (3) Results of corporate consolidation (disclosure of net sales and profit by consolidated figures)

There are 89 consolidated subsidiaries and 4 companies to which Share Holding Law is applicable. Results of the corporate consolidation are described in "I. Overview of the business 1. Business progress and results of the business group".

## 9. Major lenders

Lenders	Borrowings (in millions of yen)	Number of shares held by Lender and its voting ratios	
		Number of shares (in thousand shares)	Voting ratios (%)
The Kyoto Bank, Limited	3,400	2,904	4.08
The Bank of Tokyo-Mitsubishi, Ltd.	1,800	1,507	2.12
The Shiga Bank, Limited	1,700	1,309	1.84
Mizuho Corporate Bank, Ltd.	1,300	100	0.14
Sumitomo Mitsui Banking Corporation	1,200	151	0.21
The Sumitomo Trust & Banking Company, Ltd.	900	888	1.25*
UFJ Bank Limited	800	--	--
The Dai-ichi Mutual Life Insurance Company	780	2,318	3.26
Nippon Life Insurance Company	704	1,685	2.37
Meiji Yasuda Life Insurance Company	625	1,696	2.38

\* The ratio of voting right of The Sumitomo Trust & Banking Co., Ltd. includes shares kept in its trust account.

## 10. Directors and Corporate Auditors

(Titles and responsibilities are all as of March 31, 2005.)

Title	Name	Major responsibility or occupation
Chairman, President & CEO	Shigenobu Nagamori	
Executive Vice President	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing; In charge of Compliance Office and Risk Management Office; Chairman (CEO), Nidec Electronics GmbH; Chairman, Nidec Taiwan Corporation; Chairman, Nidec (H.K.) Co., Ltd.; Chairman, Nidec Philippines Corporation; Chairman, Nidec Precision Philippines Corporation; Chairman, Nidec Korea Corporation; Chairman, Nidec (Shanghai) International Trading Co., Ltd.
Executive Vice President	Yasunobu Toriyama	Support to CEO; Controlling Corporate Administration; In charge of Investor Relations, Public Relations & Advertising, Accounting, Financial and System Processing
Senior Managing Director	Kenji Sawamura	Controlling DCM & FAN Business; In charge of Shiga Technology Development, Tottori Technology Development, Purchasing, Quality Control and Molds Preparation; Chairman (CEO), Nidec America Corporation; Chairman, Nidec (Dalian) Limited; Chairman, Nidec (Dongguan) Limited; Chairman, Nidec (New Territories) Co., Ltd.
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; General Manager, Mineyama Precision Machining Center; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec Precision (Thailand) Co., Ltd.; Chairman, Nidec Hi-Tech Motor (Thailand) Co., Ltd.; Chairman, Nidec Shibaura Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; President, Nidec Philippines Corporation; President, Nidec Precision Philippines Corporation
Managing Director	Yoshiharu Kinugawa	In charge of Central Technical Laboratories and Nagano Technical Center
Managing Director	Seizaburo Kawaguchi	President, Nidec Electronics (Thailand) Co., Ltd.; President, Nidec Precision (Thailand) Co., Ltd.; President, Nidec Hi-Tech Motor (Thailand) Co., Ltd.
Senior Executive Director	Toshihiro Kimura	President, Nidec (Zhejiang) Corporation; Controlling Nidec Group Industrial Zone in Pinghu; Chairman, Nidec Total Service (Zhejiang) Corporation
Senior Executive Director	Seiichi Hattori	Controlling Domestic Business Operation; President, Nidec (H.K.) Co., Ltd.; President, Nidec (Shanghai) International Trading Co., Ltd.
Senior Executive Director	Tetsuo Inoue	In charge of Affiliates Administration; General Manager, Affiliates Administration Dept.
Senior Executive Director	Satoru Kaji	President, Nidec Singapore Pte. Ltd.; President, P.T. Nidec Indonesia
Senior Executive Director	Tadaaki Hamada	In charge of Corporate Planning, Intellectual Property and Legal Affairs, and International Business Administration
Senior Executive Director	Takashi Iwata	In charge of Management Control and Audit; General Manager, Management Control and Audit Dept.; Chairman, Security Export Control Committee
Senior Executive Director	Kiyoyoshi Takegami	General Manager, Nagano Technical Center; General Manager, Development Dept.
Senior Corporate Auditor	Hideo Asahina	
Senior Corporate Auditor	Yoichi Ichikawa	
Senior Corporate Auditor	Tadayosi Sano	
Corporate Auditor	Tsutomu Katsuyama	

Notes: 1. Messrs. Hideo Asahina, Yoichi Ichikawa and Tsutomu Katsuyama, corporate auditors are outside corporate auditors as specified in Article 18.1 of the Law Concerning Exceptional Measures to the Commercial Law with respect to Auditors, etc. of Joint Stock Corporation.

2. Change in directors and corporate auditors during the period is as follows:

(1) Taking Position:

On the 31<sup>st</sup> annual general meeting of shareholders held on June 23, 2004, 11 directors of Messrs. Shigenobu Nagamori, Hiroshi Kobe, Yasunobu Toriyama, Kenji Sawamura, Yasuo Hamaguchi, Yoshiharu Kinugawa, Seizaburo Kawaguchi, Toshihiro Kimura, Seiichi Hattori, Tetsuo Inoue, Satoru Kaji were re-elected as director, and 3 of Messrs. Tadaaki Hamada, Takashi Iwata and Kiyoyoshi Takegami were elected newly and took office as director. Further, Mr. Yoichi Ichikawa was re-elected as a corporate

auditor.

(2) Retirement:

On the 31<sup>st</sup> annual general meeting of shareholders held on June 23, 2004, Messrs. Kensuke Tanabe as managing director and Norio Nomura as director retired.

(3) Changes in Positions and Responsibilities:

The office of the following officers was changed due to new election of the directors on June 23, 2004.

<b>Title</b>	<b>Name</b>	<b>Major responsibility or occupation</b>
Executive Vice President	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing; In charge of Compliance Office and Risk Management Office; Chairman (CEO), Nidec Electronics GmbH; Chairman, Nidec Taiwan Corporation; Chairman, Nidec (H.K.) Co., Ltd.; Chairman, Nidec Korea Corporation; Chairman, Nidec (Shanghai) International Trading Co., Ltd.
Executive Vice President	Yasunobu Toriyama	Support to CEO; Controlling Corporate Administration; In charge of Investor Relations, Public Relations & Advertising, Accounting, Financial and System Processing
Senior Executive Director	Tadaaki Hamada	In charge of Corporate Planning, Intellectual Property, Legal Affairs, and International Business Administration; General Manager, International Business Administration Dept.
Senior Executive Director	Takashi Iwata	In charge of Management Control and Audit; General Manager, Management Control and Audit Dept.
Senior Executive Director	Kiyoyoshi Takegami	General Manager, Nagano Technical Center

On the board of directors held on June 23, 2004, the responsibilities of the following officers were changed as from July 1 of the same year.

<b>Title</b>	<b>Name</b>	<b>Major responsibility or occupation</b>
Executive Vice President	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing; In charge of Compliance Office and Risk Management Office; Chairman (CEO), Nidec Electronics GmbH; Chairman, Nidec Taiwan Corporation; Chairman, Nidec (H.K.) Co., Ltd.; Chairman, Nidec Philippines Corporation; Chairman, Nidec Precision Philippines Corporation; Chairman, Nidec Korea Corporation; Chairman, Nidec (Shanghai) International Trading Co., Ltd.
Senior Managing Director	Kenji Sawamura	Controlling DCM & FAN Business; In charge of Shiga Technology Development, Tottori Technology Development, Purchasing, Quality Control and Molds Preparation; Chairman (CEO), Nidec America Corporation; Chairman, Nidec (Dalian) Limited; Chairman, Nidec (Dongguan) Limited; Chairman, Nidec (New Territories) Co., Ltd.
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; General Manager, Mineyama Precision Machining Center; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec Precision (Thailand) Co., Ltd.; Chairman, Nidec Hi-Tech Motor (Thailand) Co., Ltd.; Chairman, NidecShibaura Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; President, Nidec Philippines Corporation; President, Nidec Precision Philippines Corporation
Senior Executive Director	Tadaaki Hamada	In charge of Corporate Planning, Intellectual Property and Legal Affairs, and International Business Administration

On the board of directors held on September 11, 2004, the responsibility of the following officers was changed as from October 1 of the same year.

<b>Title</b>	<b>Name</b>	<b>Major responsibility or occupation</b>
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; Chairman, Nidec Singapore Pte. Ltd.; President, Nidec Philippines Corporation

On the board of directors held on December 11, 2004, the responsibility of the following officer were changed as from January 1, 2005.

<b>Title</b>	<b>Name</b>	<b>Major responsibility or occupation</b>
Senior Executive Director	Kiyoyoshi Takegami	General Manager, Nagano Technical Center; General Manager, Development Dept.

On the board of directors held on March 5, 2005, Mr. Tadaaki Hamada, the director was elected as managing director and took office as from April 1 of the same year. Further, the responsibilities of the following officers were changed as from April 1 of the same year.

<b>Title</b>	<b>Name</b>	<b>Major responsibility or occupation</b>
Executive Vice President & COO	Hiroshi Kobe	COO; Controlling Sales and Marketing; In charge of Compliance Office and Risk Management Office; Chairman (CEO), Nidec Electronics GmbH; Chairman, Nidec Taiwan Corporation; Chairman, Nidec (H.K.) Co., Ltd.; Chairman, Nidec Philippines Corporation; Chairman, Nidec Precision Philippines Corporation; Chairman, Nidec Korea Corporation; Chairman, Nidec (Shanghai) International Trading Co., Ltd.
Executive Vice President & CFO	Yasunobu Toriyama	CFO; Controlling Corporate Administration; In charge of Investor Relations, Public Relations & Advertising, Accounting, Financial and System Processing
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; Chairman, Nidec Singapore Pte. Ltd.; President, Nidec Philippines Corporation
Managing Director	Tadaaki Hamada	In charge of Secretary, Corporate Planning, Intellectual Property and Legal Affairs, General Affairs, Personnel, and International Business Administration
Senior Executive Director	Seiichi Hattori	Controlling Business Operation; President, Nidec (H.K.) Co., Ltd.; Senior Executive Director and President, Nidec (Shanghai) International Trading Co., Ltd.
Senior Executive Director	Kiyoyoshi Takegami	General Manager, Nagano Technical Center; General Manager, Development Dept.; General Manager, Quality Control Dept.

## 11. Amount of compensation payable to accounting auditors

- (1) Total amount of compensation payable by the Company and the subsidiaries: ..... 263 million Yen
- (2) Of the total amount mentioned in (1) above, total amount payable by the Company to a public certified accountant(s) (Article 2 Clause 1 of the Certified Public Accountants Law No. 103 of 1948) for its businesses (business of certification of audit): ..... 256 million Yen
- (3) Of the total amount mentioned in (2) above, amount of compensation payable by the Company for an accounting auditor(s): ..... 87 million Yen

Notes: Since an agreement between the Company and accounting auditor does not divide the compensation for the audit under the Law of exemption of the Commercial Code from the one for the audit under the Security Transaction Law and it is impossible to divide it actually, the amount in (3) above indicates the total amount of those audits.

## 12. Subsequent Events

Nothing of significant note

## Consolidated Balance Sheet

March 31, 2005

<b>Assets</b>		(in million of yen)
<b>Current Assets</b> .....		<b>260,943</b>
Cash and Cash equivalents .....		70,111
Trade notes receivable .....		17,351
Trade accounts receivable .....		112,568
Inventories .....		48,962
Prepaid expenses and Other current assets .....		11,951
<b>Investment and Advances</b> .....		<b>20,360</b>
Marketable securities and Other securities investments .....		18,495
Investment in and Advances to affiliates .....		1,865
<b>Tangible fixed assets</b> .....		<b>149,206</b>
Land .....		31,774
Buildings .....		79,765
Machinery and equipment .....		178,594
Construction in progress .....		6,687
Less-Accumulated depreciation<deduction> .....		(147,614)
<b>Goodwill</b> .....		<b>40,664</b>
<b>Other non-current assets</b> .....		<b>13,000</b>
<b>Total assets</b> .....		<b>484,173</b>

Notes: 1. Allowance for bad debt ..... ¥1,071 million  
2. Cumulated amount of depreciation of tangible fixed assets ..... ¥147,614 million

March 31, 2005

<b>Liabilities, minority shareholders' interest and shareholder' equity</b>		(in million of yen)
<b>Current liabilities</b>		<b>160,327</b>
Short-term borrowings		28,478
Current portion of long-term debt		8,493
Trade notes payable and accounts payable		95,076
Other current liabilities		28,280
<b>Long-term liabilities</b>		<b>61,299</b>
Long-term liabilities		37,833
Outstanding retirement and pension costs		11,128
Other fixed liabilities		12,338
<b>Total liabilities</b>		<b>221,626</b>
<b>Minority interest in consolidated subsidiaries</b>		<b>55,507</b>
<b>Common stock</b>		<b>61,180</b>
<b>Additional paid-in capital</b>		<b>63,799</b>
<b>Retained earnings</b>		<b>88,954</b>
<b>Accumulated other comprehensive loss(Δ loss)</b>		<b>(6,745)</b>
Foreign currency translation adjustments		(9,466)
Unrealized gains on securities (after modification upon reclassification)		2,777
Minimum pension liability adjustment		( 56)
<b>Treasury stock, at cost</b>		<b>(148)</b>
<b>Total shareholders' equity</b>		<b>207,040</b>
<b>Total liabilities and shareholders' equity</b>		<b>484,173</b>

Notes: 3. Assets offered for security:

Land	¥330 million
Buildings	¥196 million
4. Guaranteed obligation	¥682 million
5. All amounts less than ¥1million is rounded off.	

## Consolidated Statement of Income

from April 1, 2004 to March 31, 2005  
(in million of yen)

<b>Net sales</b> .....	<b>485,861</b>
Cost of products sold .....	370,938
Selling, general and administrative expenses .....	35,340
Research and development expenses .....	25,918
<b>Operation expenses</b> .....	<b>432,196</b>
<b>Operating income</b> .....	<b>53,665</b>
<b>Other Income (expense)</b> .....	<b>3,625</b>
Interest and Dividend income .....	929
Interest expenses .....	(871)
Foreign exchange gain (loss), net .....	2,377
Gain (loss) from marketable securities, net .....	1,586
Gain (loss) from derivative instruments, net .....	(175)
Other, net .....	(221)
<b>Income before provision for income taxes</b> .....	<b>57,290</b>
Provision for income taxes .....	(12,847)
<b>Income before minority interest and equity in earnings of affiliated companies</b> .....	<b>44,443</b>
Minority interest in income (loss) of consolidated subsidiaries .....	10,954
Equity in net (income)/loss of affiliated companies .....	34
<b>Net income</b> .....	<b>33,455</b>

---

Notes: 1. Net profit per share in the current period (from April 1, 2004 to March 31, 2005) ..... ¥479.74

## 1. Important matters basic to preparation of consolidated financial documents

The consolidated financial documents are prepared in accordance with Article 179.1 of the Implementation Rules of the Commercial Law adhering to the accounting standards on a basis of terminology, form and method of preparation requested in relation to issuance, etc. of American Depository Receipt.

1. Scope of consolidation:	
Number of consolidated subsidiaries .....	89
2. Matters on application of equity method:	
Number of companies to which the equity method applies .....	4
Copal Yamada Corporation, Nidec Development Philippines Corporation, NTN-Nidec (Zhejiang) Corporation, and Sejin-Sankyo Control Devices Co., Ltd.	
3. Matters on change of scope of consolidation and application of equity method:	
(1) Change of scope of consolidation	
< Increase of consolidated subsidiaries due to increase of ratio of ownership of voting right: .....	1>
Taiwan Nissin Koki Co., Ltd.	
< Increase of consolidated subsidiaries due to new incorporation: .....	3>
Nidec Power Motor (Zhejiang) Co., Ltd., Nidec Logistic Consulting (Pinghu) Corporation and Sankyo Seiki Fuzhou (H.K.) Co., Ltd.	
< Decrease of consolidated subsidiaries due to decline in ratio of ownership of voting right: .....	1>
Nidec Nemicon Noise C., Ltd.	
< Decrease of consolidated subsidiaries due to merger and acquisition between consolidated subsidiaries: .....	2>
Sankyo Cuoris Co., Ltd. and Sankyo Total Service Co., Ltd.	
(2) Change of scope of application of equity method	
< Decrease of companies to which the equity method applies by reason of transfer to a consolidated subsidiary: .....	1>
Taiwan Nissin Koki Co., Ltd.	
< Decrease of companies to which the equity method applies by reason of decline in ratio of ownership of voting right: .....	1>
Orientec Co., Ltd.	
< Decrease of a company with no importance upon winding up procedure: .....	1>
Advance Prove Co., Ltd.	
4. Matters on Account Processing Standards:	
(1) Negotiable securities	
“Accounting processing of investment to liability certificates and equity instruments” of 115 of US Financial and Accounting Standards (hereinafter referred to as “FAS”) is applied.	
(2) Inventory assets	
Lower-of-cost-or-market method is applied by mainly averaging method.	
(3) Tangible fixed assets	
The tangible fixed assets are indicated in accordance with acquisition cost. Depreciation is mainly based on an age-life method. However, part of the assets is based on straight-line method.	
(4) Leasing accounting	
FAS 13 “Accounting processing of leasing” is applied.	
(5) Corporate taxes, etc.	
Accounting for income taxes pursuant to asset and debt method is applied. We realize that affect to asset and debt of deferred taxes is loss and profit in the consolidated accounting year including the date of enactment of law on change of tax rates.	
(6) Liabilities for accrued benefit	
FAS 87 “Accounting for pension by an entrepreneur” is applied.	
03-2 “Processing of a portion of return of Japanese employee’s pension funds” by Standard of US Professional Committee of Accrued Problems is applied.	
(7) Derivative transaction	
FAS 133 “Accounting processing of derivatives and hedging activities” is applied.	

# Certified copy of auditing report on consolidated financial documents by accounting auditors

## AUDITING REPORT BY INDEPENDENT AUDITORS

May 7, 2005

To: Messrs. Board of Directors  
Nidec Corporation

ChuoAoyama PricewaterhouseCoopers

Yukihiro Matsunaga, C.P.A. (Seal)  
Designated member Executive member

Yasushi Kouzu, C.P.A. (Seal)  
Designated member Executive member

Kazumi Fukai, C.P.A. (Seal)  
Designated member Executive member

Hirokaze Hanai, C.P.A. (Seal)  
Designated member Executive member

The auditing firm audited the consolidated financial documents of Nidec Corporation in the 32<sup>nd</sup> business year from April 1, 2004 through March 31, 2005, that is, consolidated balance sheet and consolidated statement of income in accordance with Article 19,2 Clause 3 of "the Law Concerning Exceptional Measures to the Commercial Code with respect to Auditing, etc. of Joint Stock Companies". The responsibilities of preparation of these consolidated financial documents lie to the executives of the Company and the responsibilities of the accounting firm are to express the opinion on the consolidated financial documents from the independent position.

The auditing firm conducted the audit in accordance with the auditing standard generally accepted as fair and reasonable in Japan. The auditing standard demands the auditing firm to secure the reasonable guarantee whether there is any false representation in the consolidated financial documents. The audit was performed on a basis of trial examination that includes review of the representation of the consolidated financial documents as a whole including review of the accounting policy and method of application adopted by the executives as well as estimation by the executives. The accounting firm judges that it has obtained the reasonable basis to express the opinion as a result of the audit. In this connection, the audit includes the auditing procedures that were applied to the subsidiaries and consolidated subsidiaries as deemed as necessary by the auditing firm.

As a result of the audit, the auditing firm judges that the consolidated financial documents represents correctly the situation of properties and loss and profit of the business group that is comprised of Nidec Corporation and its consolidated subsidiaries, etc in accordance with the laws and regulations and the Article of Incorporation.

There exists no stake to be described between the Company and the accounting firm or executive members in accordance with the provisions of the Law on Certified Public Accountant.

# Certified copy of auditing report on consolidated financial documents by Board of Corporate Auditors

## Audit Report

The Board of Corporate Auditors is reported by each corporate auditor in connection with the consolidated financial documents (consolidated balance sheet and consolidated state of income) during 32<sup>nd</sup> business year from April 1, 2004 to March 31, 2005 and prepares this auditing report and reports as follows upon consultation:

1. Summary of Auditing Method by Corporate Auditors

Adhering to the auditing policy and sharing of the duties, etc. fixed by the board of corporate auditors, each of the auditors was reported and explained by the directors, internal auditing department, etc., and the accounting auditors regarding the consolidated financial documents and requested the subsidiaries and consolidated subsidiaries to report the accounting, as needed, and examined their businesses and situation of the assets.

2. Results of Auditing

- (1) We judge that the auditing method and auditing by ChuoAoyama PricewaterhouseCoopers, the accounting auditors, is reasonable.
- (2) We judge that as a result of inspection of the subsidiaries and consolidated subsidiaries, there is no matter to be pointed out in connection with the consolidated financial documents

May 9, 2005

Board of Corporate Auditors of Nidec Corporation

Hideo Asahina (Seal)  
Senior Corporate Auditor

Tadayosi Sano (Seal)  
Senior Corporate Auditor

Yoichi Ichikawa (Seal)  
Senior Corporate Auditor

Tsutomu Katsuyama (Seal)  
Corporate Auditor

Note: Hideo Asahina, Yoichi Ichikawa, senior corporate auditors and Tsutomu Katsuyama, corporate auditor are outside corporate auditors as specified in Article 18.1 of the Law Concerning Exceptional Measures to the Commercial Code with respect to Auditing, etc. of Joint Stock Companies.

## Balance Sheet

March 31, 2005

### Assets

(in million of yen)

<b>Current Assets</b> .....	<b>90,293</b>
Cash and bank deposits .....	9,944
Notes receivable .....	1,132
Accounts receivable .....	39,806
Finished products .....	2,232
Raw materials .....	46
Work in process .....	192
Supplies .....	114
Deferred income tax .....	1,488
Short-term loans to affiliates .....	30,167
Other receivables .....	5,489
Other current assets .....	425
Allowance for doubtful accounts .....	(742)
<b>Fixed assets</b> .....	<b>171,282</b>
<b>Tangible assets</b> .....	<b>22,476</b>
Buildings .....	8,720
Structures .....	185
Machinery and equipment .....	1,191
Vehicles and delivery equipment .....	12
Tools, furniture and fixtures .....	1,464
Land .....	9,987
Construction in progress .....	917
<b>Intangible assets</b> .....	<b>133</b>
Patents .....	1
Software .....	81
Facility utility .....	27
Telephone subscription rights .....	24
<b>Investments and other assets</b> .....	<b>148,673</b>
Investment in securities .....	8,599
Investments in subsidiaries .....	124,749
Investments other than capital stock .....	962
Investments in equity of subsidiaries, other than capital stock .....	8,718
Long-term loans .....	986
Bankruptcy and claims others .....	492
Long-term prepaid expenses .....	638
Deferred income taxes .....	2,197
Other investments .....	1,875
Allowance for doubtful accounts .....	(543)
<b>Total assets</b> .....	<b>261,575</b>

Notes: 1. All amounts less than ¥1million is rounded off.

2. Short-term receivables from subsidiaries .....	¥63,908 million
Short-term payables to subsidiaries .....	¥21,369 million
Long-term receivables from subsidiaries .....	¥3,333 million
Long-term payable to subsidiaries .....	¥29 million
3. Accumulated depreciation of tangible fixed assets .....	¥12,409 million

March 31, 2005

(in million of yen)

## Liabilities

<b>Current liabilities</b> .....	<b>51,950</b>
Notes payable .....	133
Accounts payable .....	27,078
Short-term borrowings .....	11,200
Current portion of long-term debt .....	914
Current portion of Convertible bond .....	5,394
Accrued liabilities .....	2,638
Accrued expenses .....	617
Income taxes payable .....	1,674
Accrued bonuses to employees .....	1,062
Notes payable for construction .....	485
Other current liabilities .....	755
<b>Non-current liabilities</b> .....	<b>35,178</b>
Corporate Bonds .....	30,000
Long-term debt .....	1,205
Accrued severance and benefit costs .....	998
Accrued retirement benefit to directors .....	107
Discount on Bonds .....	638
Other current non-current liabilities .....	2,230
<b>Total liabilities</b> .....	<b>87,128</b>

## Shareholders' Equity

<b>Common stock</b> .....	<b>61,180</b>
<b>Additional paid-in capital</b> .....	<b>65,403</b>
Capital reserve .....	65,403
<b>Retained earnings</b> .....	<b>47,242</b>
Legal reserve .....	721
Reserve for general purpose .....	33,150
Unappropriated retained earnings (of which, Net income) .....	13,371
<b>Land revaluation reserve</b> .....	<b>(813)</b>
<b>Net unrealized loss on securities</b> .....	<b>1,583</b>
<b>Treasury stock</b> .....	<b>(148)</b>
<b>Total shareholders' equity</b> .....	<b>174,447</b>
<b>Total liabilities and shareholders' equity</b> .....	<b>261,575</b>

Notes: 4. Important leased assets:

Other important leased assets besides those fixed assets on the Balance Sheet include portions of manufacturing equipment for DC motors, information processing equipment, office equipment and vehicles.

5. Guarantees ..... ¥1,826 million

6. Total increased amount of assets priced at current value stipulated in Commercial Code, Enforcement Rule Article 124, Provision 3. .... ¥1,583 million

7. Revaluation of Land

Revaluation of land based on the law concerning the revaluation of land (March 31, 1998, Proclamation of Law No. 34) and revision of the law concerning the revaluation of land (revised March 31, 1999), with the difference appropriated as part of the Company's shareholders' equity.

Date of revaluation: March 31, 2000

Amount of the revalued market price of land at the end of this fiscal year lower than the book value of land after revaluation ..... ¥2,124 million

(Method of revaluation as provided by Article 3, Clause 3 of the above law)

Reasonable adjustments were made to the price determined by the formula for calculation of taxation base stated in Article 16 of Land Value Tax Law (Law No. 69, 1991), which is provided in Article 2 No. 4 of enforcement regulation of the law concerning the revaluation of land (Proclamation of Law No. 119 on March 31, 1998).

8. Amount of pension assets in retirement benefits trust offsetting provisions for employees' retirement benefits. .... ¥743 million

## Statement of Income

from April 1, 2004 to March 31, 2005

(in million of yen)

### Recurring Profit & Loss

Operating income and expenses	
Net sales	130,351
Cost of sales	(114,841)
Selling, general and administrative expenses	(13,158)
<b>Operating income</b>	<b>2,352</b>
Non-operating income and expenses	
Non-operating income	
Interest income	319
Dividend income	9,774
Foreign exchange gain, net	1,026
Other	784
Non-operating expenses	
Interest expenses	(217)
Share issuance expense	(322)
Trade discount	(112)
Other	(136)
<b>Recurring profit</b>	<b>13,468</b>

### Non-recurring Profit & Loss

Non-recurring profit	
Gain on sale of fixed assets	43
Gain on sale of marketable securities	632
Gain on sale of investment in affiliates	1
Gain on reversal of provision for retirement allowance for directors and corporate auditors	382
Other	107
Non-recurring loss	
Loss on disposal of property, plant and equipment	(222)
Loss on support of subsidiary	(808)
<b>Income before income taxes</b>	<b>13,603</b>
Provision for income taxes	
Income taxes (Current)	(2,799)
Income taxes (Deferred)	1,621
<b>Net income</b>	<b>12,425</b>
Retained earnings brought forward from previous period	2,247
Reversal of Land revaluation reserve	112
Interim dividend payment	(1,413)
<b>Unappropriated retained earnings at end of period</b>	<b>13,371</b>

Notes: 1. All amounts less than ¥1million is rounded off.

2. Sales to subsidiaries	¥73,749 million
3. Purchases from subsidiaries	¥101,346 million
4. Sales commissions to subsidiaries	¥1,090 million
5. Turnover with subsidiaries other than sales and purchases	¥31,688 million
6. Net income per share for the period (from April 1, 2003 to March 31, 2004)	¥176.3

## Significant accounting policies

### 1. Securities:

- Investments in subsidiaries and affiliates ..... Valuation at cost, with cost determined by the moving average method
- Other securities with fair value:  
Stated at fair value based on market price at end of the period year ended March 31, 2005. (Both unrealized gains and losses are reported as net unrealized loss on securities. The cost of other securities sold is computed using the moving average method.)
- Other securities not practicable to fair value:  
Stated at cost determined using the moving average method.

### 2. Derivatives ..... Stated at fair value

### 3. Inventories:

- Finished goods, materials, work in progress:  
Stated at the lower of cost or market method with cost determined using the moving average method.
- Supplies:  
Stated at the lower of cost or market method with cost determined using the last purchase price method or replacement cost.

### 4. Method of depreciation of fixed assets:

- Tangible fixed assets ..... Declining balance method

Stated based on the declining-balance method except for buildings purchased after April 1, 1998, for which the straight-line method is applied. Major economic lives of tangible fixed assets are as follows:

Durable years are as follows:

Buildings and structures 2 to 50 years

Machinery 2 to 9 years

- Intangible fixed assets ..... Straight-line method

Amortization of goodwill is computed based on the straight-line method. With respect to software for internal use, amortization is computed on the straight-line method over the expected useful life (mainly 5 years).

### 5. Accounting for deferred assets:

- Stock issuance cost ..... Recognized as expensed

### 6. Policy for significant provisions:

- Allowances for doubtful accounts:

Appropriate allowances are made for general receivables based on the historical rate of credit loss experienced, but specific doubtful accounts are investigated on an individual basis, and the amount of estimated losses are provided.

- Accrued bonuses to employees:

Nidec Corporation provided accrued bonuses to employees based on the estimated amount for payment.

- Provision for employees' retirement benefits:

Provision of employee retirement and severance benefits are stated on the projected benefit obligation less pension plan assets at the end of the fiscal year. Unrecognized actuarial gain or loss is being recognized over average remaining years of service (within 5 years) at the end of each fiscal year beginning from the next fiscal year of its accrual.

- Provision for retirement allowances for directors and corporate auditors:

Liabilities incurred for the reserve provision for retirement allowances for directors and corporate auditors is stated based on Nidec's regulations from the amount necessary at the end of the term. The provision of the allowances is provided for in Article 43 of the Implementation Rules of the Commercial Code. In connection therewith, the Company has resolved to demolish the plan for retirement compensation for officers on December 31, 2004 at the board of directors held on December 15, 2004. (However, for the officers who retire at the general meeting of shareholders on June 2005, the retirement compensation is paid as in the past upon approval of the general meeting, and for the officers who retired but not were paid upon approval of at the past general meeting, the retirement compensation is paid in accordance with the proposal so approved).

7. Derivatives and hedge activities:

(1) Hedge accounting policy

Assets and liabilities denominated in foreign currencies with foreign currency forward contracts are translated at forward contract rates.

(2) Method and object of hedge

(a) Method of hedge ..... Forward exchange contracts

(b) Object of hedge ..... Nidec Corporation manages its exposure to fluctuations in fair value and the fixed cash flow, such as foreign currency receivables.

(3) Hedge policy

In order to reduce market risk exposures from fluctuations in foreign exchange rate and interest rates, Nidec Corporation has a comprehensive and flexible stance towards hedging.

(4) Evaluating effectiveness of hedging activities

With regard to forward exchange contracts, Nidec avoided evaluating the effectiveness if the denominated currency, the notional amount and the contract period are the same.

8. Leases:

Financial leases other than those that are deemed to transfer the ownership of the leased assets to the lessees are accounted for by a method similar to that applicable to operating leases.

9. Other important respects to preparation method of financial statements:

Accounting procedure of Consumption taxes: Consumption taxes are excluded from revenues and expenses and recorded as an asset or a liability.

10. Change of indicating method:

Balance Sheet:

Upon revision of Report No. 14 on "Practical Guideline on Financial Instrument" by Accounting System Committee, "Contribution to Investment Business Limited Liability Partnership or Partnership similar thereto" is transferred to investment securities from the contributed fund. The affect thereby is ¥388 million respectively.

Statement of Income:

"Costs of issuance of new shares" and "trade discount" are indicated in "other losses". However, in the current period, they are categorized and indicated in view of the pecuniary importance. The amounts at the end of the previous period, "costs of issuance of new shares" were ¥0 million and "trade discount" ¥32 million..

11. Additional information:

"Pro forma standard taxation of corporate tax":

"Pro forma standard taxation of corporate tax": Upon promulgation of the "Law on revision in part of Local Taxation Law, etc." on March 31, 2003 (Law No. 9 of 2003) and introduction of the pro forma standard taxation of corporate tax" from a business year commencing on and from April 1, 2004, taxes on prorated added value and prorated capital of corporate enterprise tax are accounted for in sales costs and the general administration costs in accordance with "Practical Treatment on Indication on Statement of Income of a Portion of Pro Forma Standard Taxation" (No. 12 on February 13, 2004; Report on practical treatment by Corporate Accounting Standards Committee).

As a result, sales cost increased by ¥131 million, and general administration costs by ¥79 million, respectively. And operating profit, current profit and interlocutory net profit before tax decreased by ¥210 million, respectively.

## **Proposed Appropriation of Profits**

Unappropriated retained earnings at end of period .....	(in yen) <b>¥ 13,370,971,550</b>
<b>Allocation proposed as follows:</b>	
Year-end dividend (¥25 per share) .....	1,780,918,525
Directors' bonuses .....	142,000,000
Corporate Auditors' bonuses .....	8,000,000
Revenue reserves .....	<u>8,500,000,000</u>
Unappropriated retained earnings carried forward to the next period .....	<u><u>¥2,940,053,025</u></u>

Notes: Interim dividend in the aggregate of ¥1,412,675,280(¥20.00 per share) was distributed on December 10, 2004.

## Certified copy of auditing report by accounting auditors

### AUDITING REPORT BY INDEPENDENT AUDITORS

May 7, 2005

Messrs. Board of Directors  
Nidec Corporation

ChuoAoyama PricewaterhouseCoopers

Yukihiro Matsunaga, C.P.A. (Seal)  
Designated member Executive member

Yasushi Kouzu, C.P.A. (Seal)  
Designated member Executive member

Kazumi Fukai, C.P.A. (Seal)  
Designated member Executive member

Hirokaze Hanai, C.P.A. (Seal)  
Designated member Executive member

The auditing firm audited the financial documents of Nidec Corporation in the 32<sup>nd</sup> business year from April 1, 2004 through March 31, 2005, that is, balance sheet, statement of income, business report (limited to a portion of the accounting) and proposal of profit as well as annexed particulars (limited to a portion of the accounting) in accordance with Article 2.1 of "the Law Concerning Exceptional Measures to the Commercial Code with respect to Auditing, etc. of Joint Stock Companies". A portion relating to the accounting of the business report and annexed particulars covered by the audit is the one described in accordance with the accounting book among the matters described in the business report and annexed particulars. The responsibilities of preparation of these financial documents and annexed particulars lie to the executives of the Company and the responsibilities of the accounting firm are to express the opinion on the financial documents and annexed particulars from the independent position.

The auditing firm conducted the audit in accordance with the auditing standard generally accepted as fair and reasonable in Japan. The auditing standard demands the auditing firm to secure the reasonable guarantee whether there is any false representation in the financial documents and annexed particulars. The audit was performed on a basis of trial examination that includes review of the representation of the financial documents and annexed particulars as a whole including review of the accounting policy and method of application adopted by the executives as well as estimation by the executives. The accounting firm judges that it has obtained the reasonable basis to express the opinion as a result of the audit. In this connection, the audit includes the auditing procedures that were applied to the subsidiaries as deemed as necessary by the auditing firm.

As a result of the audit, the opinion of the accounting firm is as follows:

- (1) We judge that the balance sheet and statement of income represent correctly the situation of the properties and loss and income of the Company in accordance with the laws and regulations and the Articles of Incorporation
- (2) We judge that the business report (limited to a portion of the accounting) represents correctly the situation of the Company in accordance with the laws and regulations and the Articles of Incorporation.
- (3) We judged that the proposal on disposition of profits conforms to the laws and regulations and the Articles of Incorporation.
- (4) We judge that there is no matter in the annexed particulars (limited to a portion of the accounting) to be pointed out in view of the provisions of the Commercial Code.

There exists no stake to be described between the Company and the accounting firm or executive members in accordance with the provisions of the Law on Certified Public Accountant.

# Certified copy of auditing report by Board of Corporate Auditors

## Audit Report

The Board of Corporate Auditors is reported on the method and results of the auditing by each corporate auditor in connection with performance of the office of the directors during 32<sup>nd</sup> business year from April 1, 2004 to March 31, 2005 and prepares this auditing report and reports as follows upon consultation:

1. Summary of the auditing method by corporate auditors

Adhering to the auditing policy and sharing of the duties, etc. fixed by the board of auditors, each of the corporate auditors attended the meetings of the board of directors and other important meetings and further heard the performance of their duties from the directors, etc., inspected the important documents for settlement, surveyed the business and financial situation, and requested the subsidiaries to report the business as needed at the head office and major offices. Further, each of the auditors was given report and explanation by the accounting auditors, and examined the financial documents and particulars attached thereto.

In addition to the method mentioned above, each of the corporate auditors requested, as needed, the directors or the like to report the competitive transactions by the director, transactions conflicting the interest between the director and the Company, profit-sharing ad gratis given by the Company, non-conventional transactions between the Company and subsidiaries or shareholders, and acquisition and disposition of the treasury stocks, etc, and examined the same in detail.

2. Results of Audit

- (1) We judge that the auditing method and auditing by ChuoAoyama PricewaterhouseCoopers, the accounting auditors, is reasonable.
- (2) We judge that the business report indicates correctly the situation of the Company in accordance with the laws and regulations, and the Articles of Incorporation.
- (3) We judge that the proposal on disposition of the profits has no matter to be pointed out in view of the situation of the Company's assets.
- (4) We judge that the annexed particulars indicate correctly the matters to be described and have no matters to be pointed out.
- (5) We judge that there is no illegal act on performance of the duties of the directors or no substantial fact that violates the laws and regulations or the Articles of Incorporation. We judge that there is no violation of the duties of the directors in connection with the competitive transactions by the director, transactions conflicting the interest between the director and the Company, profit-sharing ad gratis given by the Company, non-conventional transactions between the Company and subsidiaries or shareholders, and acquisition and disposition of the treasury stocks, etc.
- (6) We judge that as a result of the survey of the subsidiaries, there is no matter to be pointed out in connection with performance of the duties of the directors.

May 9, 2005

Board of Corporate Auditors of Nidec Corporation

Hideo Asahina (Seal)  
Senior Corporate Auditor

Tadayoshi Sano (Seal)  
Senior Corporate Auditor

Yoichi Ichikawa (Seal)  
Senior Corporate Auditor

Tsutomu Katsuyama (Seal)  
Corporate Auditor

Note: Hideo Asahina, Yoichi Ichikawa, senior corporate auditors and Tsutomu Katsuyama, corporate auditor are outside corporate auditors as specified in Article 18.1 of the Law Concerning Exceptional Measures to the Commercial Code with respect to Auditing, etc. of Joint Stock Companies.

## [DOCUMENTS FOR REFERENCE ON EXERCISE OF VOTING RIGHT]

- Number of voting rights owned by  
Number of voting rights of total shareholders.....711,502 units

### 2. Proposals and matters for reference

#### **Proposal No. 1: To approve the proposed appropriation of profit with respect to the 32<sup>nd</sup> fiscal period**

It is proposed that the appropriation of profits shall be made as shown in detail on Page 25.

With respect to the year-end dividend, in order to carry sufficient retained earnings forward to further reinforce corporate and financial strength, and actively propel business development, taking into consideration maintaining stable distribution of profits to shareholders, it is proposed that a cash distribution shall be made at the rate of 25 yen, including an increased dividend of 10yen per share. With the interim dividend of 20 yen per share, the aggregate annual dividends will be total 45 yen per share.

The year-end internal cash reserves will be appropriated as part of overseas expansion, acquisitions, and capital investment.

#### **Proposal No. 2: To amend partly the Articles of Incorporation**

##### 1. Reasons for the Amendments

- The “Law on Revision in part of the Commercial Code, etc. for Introduction of an Electronic Publication System” (Law No. 87 of 2004) was implemented on February 1, 2005 and an electronic publication system is introduced by which publication is posted on a web site on Internet. If this electronic publication system is adopted, it is possible to reduce the cost for publication to the larger extent. In view of general use of Internet in Japan, the Company proposes that the method of publication specified in Article 4 of the Articles of Incorporation of the Company is changed to the electronic publication system.
- The Company proposes to add a board chairman to the provision of Directors with post specified in Article 18 of the Articles of Incorporation of the Company in order to enhance the management system of the Company.
- The Company has resolved to demolish the plan of retirement compensation for Directors and Corporate Auditors by December 31, 2004 at the board of directors held on December 15, 2004 except for those who retire upon conclusion of this general meeting in order to shift the plan to a remuneration system linked to the business results. In connection therewith, the Company proposes that the provisions relating to the wording on retirement compensation for Directors and Corporate Auditors specified in Articles 22 and 29 of the Articles of Incorporation of the Company are deleted.

##### 2. Details of modification

Part of the current Articles of Incorporation is modified as follows:

(The underlined indicate the modified wordings)

Present Articles of Incorporation	Proposed amendment
(Publication method) Article 4. Publication by the Company shall <u>be made in Nihon Keizai Shimbun.</u>	(Publication Method) Article 4. Publication by the Company shall <u>be made by electronic publication. Provided, however, in case of an accident or other inevitable cause that prevents the electronic publication, the publication shall be made in Nihon Keizai Shimbun.</u>
(Representative Director and Directors with post) Article 18. 1. The representative director shall be elected upon resolution of the Board of Directors. 2. One director and president and a few director and vice president, executive managing director and managing director may be elected upon resolution of the Board of Directors.	(Representative Director and Directors with post) Article 18. 1. (As current version) 2. <u>One board chairman</u> , one director and president and a few director and vice president, executive managing director and managing director may be elected upon resolution of the Board of Directors.

Present Articles of Incorporation	Proposed amendment
(Remuneration, <u>etc.</u> of Directors) Article 22. Remuneration <u>and retirement compensation</u> for directors shall be determined upon resolution by a general meeting of shareholders.	(Remuneration of Directors) Article 22. Remuneration for directors shall be determined upon resolution by a general meeting of shareholders.
(Remuneration, <u>etc.</u> of Corporate Auditors) Article 29. Remuneration <u>and retirement compensation</u> for corporate auditors shall be determined upon resolution by a general meeting of shareholders.	(Remuneration of Corporate Auditors) Article 29. Remuneration for corporate auditors shall be determined upon resolution by a general meeting of shareholders.

### Proposal No. 3: To elect thirteen Directors

The term of office of all directors (14) expires upon conclusion of this general meeting.

Accordingly, the Company proposes election of 13 directors.

Candidate directors are as follows:

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
(1) Shigenobu Nagamori Aug. 28, 1944	July 1973 Founded the Corporation Chairman, President & CEO of the Company (Present position) Positions held in Nidec and subsidiaries Chairman & CEO, Sankyo Seiki Mfg. Co., Ltd. Chairman, Sankyo Shoji Co., Ltd. Chairman, Nidec Sibaura Corporation Chairman, Nidec-Shimpo Corporation Chairman, Nidec-Kyori Corporation Chairman, Nidec Logistics Corporation Chairman, Nidec Nemicon Corporation Chairman, Nidec Power Moter Corporation Chairman, Nidec Machinery Corporation Chairman, Tokyo Pigeon Co., Ltd. Chairman, Nidec Total Service Corporation Chairman, Nissin Kohki Co., Ltd. Chairman, Nidec System Engineering (Zhejiang) Corporation	5,971,482 shares
(2) Hiroshi Kobe Mar. 28, 1949	Jul. 1973 Joined the Company Nov. 1984 Senior Executive Director Nov. 1991 Managing Director of the Company, controlling Sales and Marketing Apr. 1994 General Manager, Sales and Marketing Oct. 1994 General Manager, Domestic Business 2 Apr. 1996 Senior Managing Director, controlling overall business operations Apr. 2000 Executive Vice-President of the Company, Controlling Sales and Marketing (Present position) Apr. 2002 Controlling SPM Business Apr. 2004 In charge of Compliance Office, Risk Management Office (Present position) Apr. 2005 COO (Present position) In charge of Motor Engineering Research Laboratory Positions held in Nidec and subsidiaries Chairman, Nidec Electronics GmbH (CEO) Chairman, Nidec Taiwan Corporation Chairman, Nidec (H.K.) Co., Ltd. Chairman, Nidec Philippines Corporation Chairman, Nidec Korea Corporation Chairman, Nidec (Shanghai) International Trading Co., Ltd.	117,914 shares
	Mar. 1984 Director, Engineering, Kouyou Seiko Co., Ltd. Apr. 1991 Joined the Company, Executive Director May. 1991 Director, Accounting	7,703 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
(3) Yasunobu Toriyama Sep. 18, 1938	Jun. 1991 Senior Executive Director Apr. 1994 Deputy General Manager, Corporate Administration Apr. 1996 Managing Director, General Manager, Corporate Administration June 1997 Senior Managing Director Apr. 2000 Controlling Corporate Administration (Present position) Apr. 2002 Executive Vice-President (Present position) June 2004 In charge of Investor Relations, Public Relations & Advertising, Accounting, Financing and System Processing (Present position) Apr. 2005 CFO (Present position)	
(4) Kenji Sawamura Feb. 15, 1942	Nov. 1989 Director, Corporate Planning, Nissan Motor Co., Ltd. Jan. 1991 General Manager, Oppama Plant, Nissan Motor Co., Ltd. June 1993 Senior Executive Director, Nissan Motor Co., Ltd. June 1997 Managing Director, Nissan Motor Co., Ltd. Oct. 1998 Joined the Company, Executive Director Jul. 1999 Deputy General Manager, Nidec (Dalian) Limited June. 2000 Senior Executive Director of the Company June 2001 Deputy Chairman and President, Nidec (Dalian) Limited Oct. 2001 Controlling DCM Apr. 2002 Senior Managing Director (Present position) Controlling LDCM Business Apr. 2003 Controlling DCM Business (Present position) May 2003 In charge of Corporate Quality Control and Purchasing (Present position) General Manager, Shiga Technical Center Oct. 2003 Controlling Fan Business, in charge of Shiga Technical Center, Tottori Technical Center and Molds Preparation (Present position) Positions held in Nidec and subsidiaries Chairman, Nidec (Dalian) Limited Chairman, Nidec (Dongguan) Limited Chairman, Nidec (New Territories) Co., Ltd	2,000 shares
(5) Yasuo Hamaguchi Sept. 27, 1949	Apr. 1974 Joined the Company Oct. 1985 Executive Director Oct. 1992 President of Nidec Electronics (Thailand) Co., Ltd. June 1993 Senior Executive Director June 1998 Managing Director Deputy General Manager, Overseas Operations June 1999 General Manager, Overseas Operations Apr. 2000 Controlling SPM Business Apr. 2002 Senior Managing Director (Present position) Controlling SPM production Apr. 2003 Controlling SPM Business, (Present position) May 2003 General Manager, Mineyama Precision Machining Center Positions held in Nidec and subsidiaries Chairman, Nidec Electronics (Thailand) Co., Ltd. Chairman, Nidec (Zhejiang) Corporation President, Nidec Philippines Corporation	130,975 shares
(6) Seizaburo Kawaguchi Oct. 27, 1953	Sep. 1983 Joined the Company Oct. 1985 General Manager, Singapore Representative Office Mar. 1989 President, Nidec Singapore Pte, Ltd. Apr. 1997 Executive Director June 2000 Senior Executive Director Apr. 2004 Managing Director (Present position) Positions held in Nidec and subsidiaries President, Nidec Thailand Pte. Ltd.	10,649 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
(7) Tadaaki Hamada Aug. 14, 1948	Jan. 1996 Manager, Tsukishima Branch, The Mitsubishi Bank Limited Oct. 1997 Manager, Oshiage Branch, The Bank of Tokyo-Mitsubishi, Ltd. Oct. 1999 Officer, the bank of Tokyo-Mitsubishi, Ltd. Headquarters Deliberations Feb. 2000 Joined the Company as Executive Director Mar. 2000 General Manager, Corporate Planning Aug. 2001 Deputy President, Nidec America Corporation Apr. 2002 Executive Vice-President, Nidec America Corporation Apr. 2003 General Manager, International Business Administration (Present position) June 2004 Senior Executive Director, In charge of Corporate Planning, Intellectual Property, Legal Affairs and International Business Administration (Present position) Apr. 2005 Managing Director (Present position) In charge of Secretarial Office, General Affairs and Personnel (Present position)	554 shares
(8) Seiichi Hattori Dec. 30, 1953	Apr. 1977 Joined the Company Oct. 1990 General Manager, Tokyo Branch Oct. 1996 Director, Sales Apr. 1998 Executive Director June 1999 Senior Executive Director (Present position) Apr. 2002 In charge of Domestic Sales Apr. 2005 In charge of Sales (Present position) Positions held in Nidec and subsidiaries President, Nidec (HK) Co., LTD. Senior Executive Director and President, Nidec (Shanghai) International Trading Co., Ltd.	10,164 shares
(9) Tetsuo Inoue June 22, 1948	Oct. 1992 Manager, Senbayashi Branch, The Sumitomo Bank Limited Oct. 1994 Manager, Wakayama Branch The Sumitomo Bank Limited Jan. 1997 General Manger, Corporation Business (Osaka) Department, The Sumitomo Bank Limited Dec. 1999 Joined the Company as Executive Director; General Manager, Management of Affiliated Companies (Present position). June 2002 Senior Executive Director (Present position) In charge of Management of Affiliated Companies. (Present position)	1,400 shares
(10) Satoru Kaji Oct. 4, 1947	Jan. 1988 Joined the Corporation Jan. 1994 Deputy President of Nidec America Corporation. Apr. 2001 Executive Director July 2001 General Manager, No.1 International Sales and Marketing Apr. 2002 In charge of International Sales and Marketing General Manager, International Sales Administration Apr. 2003 President, Nidec Singapore Pte. Ltd June 2003 Senior Executive Director(Present position) May 2005 Controlling Nidec Industrial Park in Pinghu (Present position) Positions held in Nidec and subsidiaries Deputy Chairman and President, Nidec(Zhejiang)	3,134 shares
(11) Takashi Iwata Apr. 9, 1947	Mar. 1982 Manager, Accounting and General Affairs, Matsushita Electronic Components Corporation of America Apr. 1992 Manager, Accounting of Head Office, Matsushita Electric Industrial Co., Ltd. Apr. 2003 Group Manager, Accounting Group, Freezing and Air-Conditioning Business Matsushita Electric Industrial Co., Ltd. Dec. 2003 Joined the Company as Executive Director (Present position) Apr. 2004 General Manager, Internal Audit and Management Advisory Jan. 2004 Senior Executive Director (Present position) In charge of Internal Audit and Management Advisory (Present position)	564 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
(12) Kiyoyoshi Takegami Dec. 28, 1954	Apr. 1978 Joined the Company Apr. 1991 General Manager, Development Dept. , Shiga Office Nov. 1991 General Manager, SPM Development Dept. , Shiga Office Apr. 1994 Deputy President of Nidec Electornics (Thailand) Co., Ltd. July 1999 Director Corporate Officer Vice-President of Nidec Electornics (Thailand) Co., Ltd. Apr. 2000 Executive Director Apr. 2003 General Manager, Nagano Technical Center (Present position) June 2004 Senior Executive Director (Present position) Apr. 2005 Director, Development technology and Guarantee of quality,, Nagano technical Center (Present position)	24,500 shares
(13) Akira Kagata * March 7, 1943	Apr. 1995 Manager, Manufacturing at Optical Disc Business Dept., Matsushita Electric Industrial Co., Ltd. Jan. 1997 Manager, Planning at Quality Headquarters, Matsushita Electric Industrial Co., Ltd. Apr. 1999 Commissioner at Production Technology Headquarters, Matsushita Electric Industrial Co., Ltd. Mar. 2002 Joined the Company Apr. 2002 General Manager, Process technology Apr. 2003 Executive Director (Present position) Apr. 2004 General Manager, Central Technical Laboratory (Present position) Apr. 2005 General Manager, Mineyama Precision Machine Processing Center (Present position)	122 shares

Notes: 1. None of the candidates of directors mentioned above has stake in the Company.

2. \* indicates a new candidate.

## Proposal No. 4: To grant retirement remuneration to the retiring Director

The Company proposes that donates retirement compensation to Messrs. Yoshiharu Kinugawa and Toshihiro Kimura who retire from the office of the director upon conclusion of this general meeting to reward their service during the term within reasonable scope in accordance with the standards prescribed by the Company. The standards of payment are that the basic standard amount according to the functional classification is multiplied by the term of office according to the functional classification and by the coefficient prescribed by the Company and the calculated amount is adjusted by the performances and contribution to the Company, etc.

And the Company proposed that the actual amount, time and method of payment are entrusted to be decided by the Board of Directors.

The Company has resolved at the Board of Directors held on December 15, 2004 to demolish on December 31, 2004 the plan for retirement compensation for Directors and Corporate Auditors which implies a system of late payment of remuneration without relevance to the business performances in order to shift to a remuneration system linked with the business results. The retirement compensation upon this proposal is to be paid to the Directors who retire upon conclusion of this general meeting as a transitional step to the demolition of the plan for retirement compensation for Directors and Corporate Auditors as explained in 1. Reason of modification (3) of Proposal NO.2: modification of part of the Articles of Incorporation.

The following outlines brief histories of the retiring Directors:

Name and date of birth	Positions held in Nidec		
Yoshiharu Kinugawa	May	1975	Joined the Company
	Jul.	1985	Executive Director
	June	1990	Senior Executive Director, in charge of SPM Business
	Apr.	1993	In charge of SPM Business and ADF Business
	June	1993	Managing Director (Present position)
	Apr.	1994	Director, Domestic Business 1
	Jan.	1995	Director, Domestic Business and in charge of SPM Business
	Apr.	2000	In charge of Domestic SPM Business and Promoting FDB Business
	June	2000	In charge of Corporate Research and Development and LDCM Business
	Oct.	2000	General Manager, Central Laboratory
	Apr.	2002	In charge of SPM Research and Development, Central laboratory, Processing Technology, and Mineyama Plant
	Jul.	2002	General Manager, Mineyama Plant
	Apr.	2003	In charge of Nagano Technical Center. (Present position)
May.	2003	In charge of Central Technical Laboratory (Present position)	
Toshihiro Kimura	Apr.	1978	Joined the Company
	Oct.	1992	Executive Director, General Manager, Shiga Office and Director, SPM of Manufacturing
	Oct.	1994	General Manager, Technical Center and Director, Business Support 1
	Jul.	1995	Senior Executive Director and President, Nidec (Dailen) Limited
	June	1997	Senior Executive Director (Present position)
	Apr.	2000	General Manager, Shiga Technical Center, Director, Business Support 1, and Controlling DCM Business
	May.	2003	General Manager, Central Technical Laboratory
	Apr.	2004	In charge of Nidec Group Industrial Zone in Pinghu Deputy Chairman and President, Nidec (Zhejiang) Corporation

## Proposal No. 5: Revision of Remuneration for Directors and Corporate Auditors

Amounts of remuneration for the Directors of the Company has been approved up to the present within ¥300 million per year at the 15<sup>th</sup> annual general meeting held on June 20, 1988, and those for Corporate Auditors has been approved up to the present within ¥50 million per year at the 21<sup>st</sup> annual general meeting of shareholders held on June 29, 1994. In view of the change of the economic conditions thereafter, demolition of the plan for retirement compensation for Directors and Corporate Auditors on this occasion, and other conditions, the Company proposes to revise the annual remuneration for Directors to within ¥400 million per year and that for Corporate Auditors to within ¥60 million per year.

Amount of remuneration for Directors shall not include salary as an employee who serves as a director as well.

Number of Directors reaches 13 if Proposal NO.3 is approved and ratified as proposed. Number of Corporate Auditors is 4 at present.

## Procedure for voting by electro-magnetic means

If you exercise the voting right on the Internet website, please note the followings.

1. You can exercise the voting right on Internet only by using the following website for exercise of the voting right designated by the Company. You can also exercise the right from your mobile phone.  
[URL of web site for exercise of the voting right] <http://www.webdk.net>  
\* If you read the [OR code] indicated right from your mobile phone with bar code reading function, you can access to the web site for exercise of the voting right. For details of how to operate, please refer to the instruction manual of your mobile phone.
2. If you exercise the voting right on Internet website, please register "for" or "against" the Proposals in accordance with the guide on the screen, using the code and password for exercise of the voting right specified in the enclosed sheet of exercise of the voting right.
3. The exercise of the voting right on Internet is accepted till June 22 (Wednesday), 2005. However, you are requested to exercise the right as early as possible for the convenience of counting of voting rights.
4. If you exercise the right both in writing and by Internet, the exercise by Internet is treated as the exercise of the right.
5. If you exercise the right more than once by Internet or both by personal computer and by mobile phone redundantly, the last one is treated as valid exercise of the right.
6. Access charge payable to an Internet provider and telecommunications charge to a telecommunications carrier is to be paid by you when you use the web site for exercise of the voting right.

## System environment for exercise of voting right by electro-magnetic means

The following system environment is required for the web site for exercise of voting right:

1. Capable to access to Internet;
2. If you exercise the voting right by personal computer, Microsoft® Internet Explorer 5.5 or more or Netscape 6.2 or more are available as Internet browser software. The Internet browser software above is available in a hardware environment.
3. If you exercise the voting right by mobile phone, the type with 128bitSSL telecommunications (encrypted telecommunications) is available.  
For the purpose of security, the web site corresponds to types only that are capable of 128bitSSL telecommunications (encrypted telecommunications). You can not use other type accordingly.

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