

NEWS RELEASE



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INTERIM FINANCIAL STATEMENTS (U.S. GAAP)

**(U.S. GAAP) RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2002
(FROM APRIL 1, 2002 TO JUNE 30, 2002)
*CONSOLIDATED***

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NIDEC CORPORATION

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**CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS
ENDED JUNE 30, 2002
(U.S. GAAP, unaudited)**

CONSOLIDATED STATEMENTS OF INCOME

	Yen in millions (except per share amounts)		U.S. dollars in thousands
	For the three months ended June 30,		
	2001	2002	2002
Net sales	¥42,779	¥58,819	\$492,209
Operating income	1,434	4,737	39,640
Income before provision for income taxes	1,197	1,426	11,933
Net income	119	1,377	11,523
Per share data			
Net income			
- Basic	¥1.89	¥21.67	\$0.18
- Diluted	¥1.87	¥20.73	\$0.17

CONSOLIDATED BALANCE SHEETS

	2002		June 30,
	March 31	June 30	2002
Current assets	¥124,682	¥116,578	\$975,548
Investments	36,159	36,378	304,418
Property, plant, equipment and others	97,070	94,246	788,670
Total assets	257,911	247,202	2,068,636
Current liabilities	131,216	123,357	1,032,276
Long-term liabilities	32,032	32,392	271,063
Minority interest in consolidated subsidiaries	9,188	8,777	73,448
Shareholders' equity	85,475	82,676	691,849
Total liabilities and shareholders' equity	¥257,911	¥247,202	\$2,068,636

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our business, our industry and capital markets around the world. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “plan” or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statement. We cannot promise that our expectations expressed in these forward-looking statements will turn out to be correct. Our actual results could be materially different from and worse than our expectations as a result of certain factors, including, but not limited to (i) our ability to design, develop, mass produce and win acceptance of our products, particularly those that use the new fluid dynamic bearing motor technology, which are offered in highly competitive markets characterized by continual new product introductions and rapid technological development, (ii) general economic conditions in the computer, information technology and related product markets, particularly levels of consumer spending, (iii) exchange rate fluctuations, particularly between the Japanese yen and the U.S. dollar and other currencies in which we make significant sales or in which our assets and liabilities are denominated, (iv) our ability to acquire and successfully integrate companies with complementary technologies and product lines, and (v) adverse changes in laws, regulations or economic policies in any of the countries where we have manufacturing operations, especially China.

As used in this document, references to “we,” “our” and “us” are to Nidec Corporation and, except as the context otherwise requires, its consolidated subsidiaries; “U.S. dollar” or “\$” means the lawful currency of the United States of America, and “yen” or “¥” means the lawful currency of Japan; and “U.S. GAAP” means accounting principles generally accepted in the United States, and “Japanese GAAP” means accounting principles generally accepted in Japan.

Results of Operations — Three Months Ended June 30, 2002 Compared to Three Months Ended June 30, 2001

Net Sales

Our net sales increased ¥16,040 million, or 37.5%, from ¥42,779 million for the three months ended June 30, 2001 to ¥58,819 million for the three months ended June 30, 2002. This increase was due mainly to an increase in net sales of small precision motors. In addition, net sales of Nidec Tosok Corporation, Nidec-Shimpo Corporation and certain other affiliated companies, in which we increased our ownership interest and which became consolidated subsidiaries in February 2002 was included in our net sales for the three months ended June 30, 2002. The total net sales of these newly consolidated companies is ¥10,736 million, which consists of ¥7,424 million to external customers and ¥3,312 million to internal companies. Therefore excluding the contribution from these newly consolidated companies, net sales increased ¥8,616 million, or 20.1%, to ¥51,395 million. The gross profit ratio increased from 14.4% for the three months ended June 30, 2001 to 19.3% for the three months ended June 30, 2002 due mainly to a successful shift to mass production of fluid dynamic bearing motors from conventional ball bearing motors.

Net sales of our hard disk drive spindle motors increased ¥4,913 million, or 25.5%, from ¥19,241 million for the three months ended June 30, 2001 to ¥24,154 million for the three months ended June 30, 2002 mainly due to an increase in sales of fluid dynamic bearing motors. The increase in net sales was mainly attributable to the steady expansion of demand that has continued since the second half of the last fiscal year, boosting sales of both 3.5-inch and 2.5-inch types of spindle motors. Net sales from hard disk drive spindle motors accounted for 45.0% of total net sales for the three months ended June 30, 2001 and 41.1% for the three months ended June 30, 2002. In addition, net sales from fluid dynamic bearing motors accounted for 47% of total net sales of hard disk drive spindle motors for the three months ended June 30, 2002.

Net sales of other small precision brushless DC motors increased ¥1,760 million, or 39.3%, from ¥4,483 million for the three months ended June 30, 2001 to ¥6,243 million for the three months ended June 30, 2002. This increase resulted from the growth of brushless DC motors mainly used for DVD, CD-R and CD-RW products. Net sales from other small precision brushless DC motors accounted for 10.5% of total net sales for the three months ended June 30, 2001 and 10.6% for the three months ended June 30, 2002.

Net sales of brushless DC fans increased ¥3,198 million, or 63.2%, from ¥5,060 million for the three months ended June 30, 2001 to ¥8,258 million for the three months ended June 30, 2002. This was primarily due to increased demand for fan motors used in microprocessor cooling units and home video game consoles which markets have been steadily expanding. Net sales from brushless DC fans accounted for 11.8% of total net sales for the three months ended June 30, 2001 and 14.0% for the three months ended June 30, 2002.

Net sales of mid-size motors increased ¥472 million, or 5.0%, from ¥9,530 million for the three months ended June 30, 2001 to ¥10,002 million for the three months ended June 30, 2002. This increase was primarily due to sales of motors for automobile power steering systems, while sales of motors for home electric appliances and industrial machines did not meet our expectations mainly due to a sluggish market. Net sales from mid-size motors accounted for 22.3% of total net sales for the three months ended June 30, 2001 and 17.0% for the three months ended June 30, 2002.

Net sales of machinery and power supplies increased ¥3,040 million, or 137.7%, from ¥2,208 million for the three months ended June 30, 2001 to ¥5,248 million for the three months ended June 30, 2002. This increase of ¥4,159 million was due to the addition of net sales from two newly consolidated companies, Nidec Tosok Corporation and Nidec-Shimpo Corporation. Excluding the contribution from these new companies, net sales decreased ¥1,119 million, or 50.7%, to ¥1,089 million. The primary reason for this decline was the fact that we withdrew from the power supply business both in Japan and in the U.S.A., which accounted for a decrease in sales of approximately ¥925 million for the three months ended June 30, 2002 relative to sales during the three months ended June 30, 2001.

Net sales of other products increased ¥2,407 million, or 129.6%, from ¥1,857 million for the three months ended June 30, 2001 to ¥4,264 million for the three months ended June 30, 2002. This increase was due to the addition of ¥3,094 million of net sales of automobile parts by Nidec Tosok Corporation. Excluding the contribution from Nidec Tosok Corporation, net sales decreased ¥687 million, or 37.0%, to ¥1,170 million mainly due to the decline of pivot assemblies produced at Nidec Singapore Pte. Ltd..

Cost of Products Sold

Our cost of products sold increased 29.6% from ¥36,634 million for the three months ended June 30, 2001 to ¥47,486 million for the three months ended June 30, 2002. Much of the increase in absolute terms was attributable to our newly consolidated subsidiaries and increased depreciation of tangible fixed assets related to the expansion of our fluid dynamic bearing production capacity during the period ended June 30, 2002. As a percentage of net sales, cost of sales decreased from 85.6% to 80.7%. This decrease was primarily due to increased efficiencies of scale realized by increased mass production of fluid dynamic bearing motors.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased 39.3% from ¥3,495 million for the three months ended June 30, 2001 to ¥4,870 million for the three months ended June 30, 2002. In addition to the increase in line with the sales increase, this increase was mainly due to the addition of our newly consolidated subsidiaries. As a percentage of net sales, selling, general and administrative expenses remained relatively stable, moving from 8.2% to 8.3% of net sales.

Research and Development Expenses

Our research and development expenses increased 41.9% from ¥1,216 million for the three months ended June 30, 2001 to ¥1,726 million for the three months ended June 30, 2002 as a result of increasing our research and development efforts with respect to fluid dynamic bearing technology and mid-size motors for automobile steering systems and household appliances.

Operating Income

As a result of the foregoing factors, our operating income increased 230.3% from ¥1,434 million for the three months ended June 30, 2001 to ¥4,737 million for the three months ended June 30, 2002. As a percentage of net sales, operating income increased from 3.4% to 8.1%.

Other Income (Expenses)

We incurred other expenses in the amount of ¥237 million for the three months ended June 30, 2001 and other expenses in the amount of ¥3,331 million for the three months ended June 30, 2002.

Interest and dividend income decreased from ¥198 million for the three months ended June 30, 2001 to ¥131 million for the three months ended June 30, 2002. Interest expense also decreased from ¥353 million for the three months ended June 30, 2001 to ¥267 million for the three months ended June 30, 2002.

For the year ended June 30, 2002, we recorded a net foreign exchange loss in the amount of ¥3,434 million, of which ¥2,402 million occurred at Nidec and ¥350 million occurred at Nidec Philippines Corporation. The loss at Nidec was principally due to the appreciation of the yen against the U.S. dollar as this eroded the yen value of its net foreign currency denominated assets. The loss at Nidec Philippines Corporation was principally due to the strengthening of the yen against the Philippine peso as Nidec Philippines Corporation had a net yen-denominated monetary liability position.

For the year ended June 30, 2001, we recorded a net foreign exchange loss in the amount of only ¥32 million due to a relatively stable foreign exchange rate.

Marketable securities remained relatively stable, amounting to ¥40 million for the three months ended June 30, 2001 and ¥38 million for the three months ended June 30, 2002.

Income before Provision for Income Taxes

As a result of the foregoing, our income before provision for income taxes increased 19.1% from ¥1,197 million for the three months ended June 30, 2001 to ¥1,426 million for the three months ended June 30, 2002.

Provision for Income Taxes

The provision for income taxes decreased 35.6% from ¥351 million for the three months ended June 30, 2001 to ¥226 million for the three months ended June 30, 2002. Our estimated effective income tax rate decreased from 29.4% for the three months ended June 30, 2001 to 15.9% for the three months ended June 30, 2002 mainly due to tax benefits received by foreign subsidiaries in the form of increased tax-exempt income and income derived from lower tax jurisdictions. This was partially offset by an increase in tax on undistributed earnings due mainly to a decrease in dividends received from foreign subsidiaries.

Minority Interest in Income of Consolidated Subsidiaries

For the three months ended June 30, 2002, minority interest in income of our consolidated subsidiaries was ¥37 million as compared with ¥99 million for the three months ended June 30, 2001.

Equity in Net (Income)/Losses of Affiliated Companies

We had equity in net income of affiliated companies in the amount of ¥214 million for the three months ended June 30, 2002 and equity in net losses of our affiliated companies in our amount of ¥628 million for the three months ended June 30, 2001. This was mainly due to a decrease in our proportionate share of the net income of affiliated companies. Our share of net income of our affiliates for the three months ended June 30, 2002 was ¥251 million, compared with ¥204 million for the three months ended June 30, 2001. Also, our accounting for goodwill has been changed by the adoption of new accounting standards, Statement of Financial Accounting Standards No. 142 (“SFAS142”), which became effective on April 1, 2002. Under SFAS 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized, as previous standards required, but are tested for impairment annually. As a result we ceased to amortize ¥3,649 million of goodwill on a straight-line basis over its estimated useful life. As a result of the adoption of SFAS 142, for the three-month period ended June

30,2002, we did not recognize ¥242 million of goodwill amortization expense that would have been recognized if the previous standards had been in effect.

Also, we ceased to amortize ¥9,199 million of the portion of the difference between the cost of an investment and the amount of underlying equity in net assets of an equity method investee that is recognized as goodwill. For the three-month period ended June 30, 2002, we did not recognize ¥648 million of amortization on the equity method goodwill. As for equity method goodwill, we will continue to review equity method investments for impairment in accordance with Accounting Principles Boards Opinion No. 18 instead of conducting impairment tests under SFAS 142.

Net Income

As a result of the foregoing, our net income increased from ¥119 million for the three months ended June 30, 2001 to ¥1,377 million for the three months ended June 30, 2002.

Segment Information

Based on the applicable criteria set forth in Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information," we have nine reportable operating segments on which we report in our consolidated financial statements. These reportable operating segments are legal entities. One of them is Nidec Corporation, and the others are eight of Nidec's consolidated subsidiaries: Nidec Singapore Pte. Ltd., Nidec Electronics (Thailand) Co., Ltd., Nidec Philippines Corporation, Nidec America Corporation, Nidec Power Motor Corporation, Nidec (Dalian) Limited, Nidec Shibaura Corporation and Nidec Tosok Corporation.

Nidec (Dalian) Limited, Nidec Shibaura Corporation and Nidec Tosok Corporation were identified as reportable segments in the current period. Segment information for the three-month period ended June 30, 2001 and 2002 has been restated to conform to the current presentation.

We evaluate our financial performance based on segmental profit and loss, which consists of sales and operating revenues less operating expenses. Segmental profit or loss is determined using the accounting principles in the segment's country of domicile. Nidec Corporation, Nidec Power Motor Corporation, Nidec Shibaura Corporation and Nidec Tosok Corporation apply Japanese GAAP, Nidec Singapore Corporation applies Singaporean accounting principles, Nidec Electronics (Thailand) Co., Ltd. applies Thai accounting principles, Nidec Philippines Corporation applies Philippine accounting principles, Nidec America Corporation applies U.S. GAAP, and Nidec (Dalian) Corporation applies Chinese accounting principles. Therefore our segmental data has not been prepared under U.S. GAAP on a basis that is consistent with our consolidated financial statements or on any other single basis that is consistent between segments. While there are several differences between U.S. GAAP and the underlying accounting principles used by the eight operating segments other than Nidec America Corporation, the principal differences that affect segmental operating profit or loss are accounting for pension and severance costs, directors' bonuses, and leases. We believe that the monthly segmental information is available on a timely basis and that it is sufficiently accurate at the segment profit and loss level for us to manage our business.

The first of the following two tables shows revenues from external customers and other operating segments by reportable operating segment for the year ended June 30, 2001 and 2002. The second table shows operating profit or loss by reportable operating segment for the year ended June 30, 2001 and 2002:

	Three months ended		
	June 30,		
	2001	2002	2002
	(Yen in millions and U.S. dollars in thousands)		
Nidec			
External revenues	¥13,687	¥15,945	\$133,431
Intrasegments revenues	11,545	17,682	147,967
Sub total	25,232	33,627	281,398
Nidec Singapore			
External revenues	9,572	13,188	110,360
Intrasegments revenues	747	844	7,063
Sub total	¥10,319	¥14,032	\$117,423

	Three months ended		
	June 30,		
	2001	2002	2002
	(Yen in millions and U.S. dollars in thousands)		
Nidec Electronics (Thailand)			
External revenues	¥2,962	¥4,548	\$38,059
Intrasegments revenues	4,996	5,103	42,703
Sub total	7,958	9,651	80,762
Nidec Philippines			
External revenues	1,189	1,157	9,682
Intrasegments revenues	4,512	5,317	44,493
Sub total	5,701	6,474	54,175
Nidec America			
External revenues	1,835	2,038	17,054
Intrasegments revenues	130	364	3,046
Sub total	1,965	2,402	20,100
Nidec Power Motor			
External revenues	2,781	2,177	18,217
Intrasegments revenues	0	22	184
Sub total	2,781	2,199	18,401
Nidec (Dalian)			
External revenues	0	3	25
Intrasegments revenues	4,722	7,963	66,636
Sub total	4,722	7,966	66,661
Nidec Shibaura			
External revenues	4,824	4,284	35,849
Intrasegments revenues	340	447	3,741
Sub total	5,164	4,731	39,590
Nidec Tosok			
External revenues	-	4,418	36,971
Intrasegments revenues	-	165	1,381
Sub total	-	4,583	38,352
All Others			
External revenues	5,857	10,983	91,908
Intrasegments revenues	7,944	13,879	116,142
Sub total	13,801	24,862	208,050
Total			
External revenues	42,707	58,741	491,556
Intrasegments revenues	34,936	51,786	433,356
Adjustments (*)	72	78	653
Intrasegment elimination	(34,936)	(51,786)	(433,356)
Consolidated total (net sales)	¥42,779	¥58,819	\$492,209

(*) See Note 8 to the unaudited interim consolidated financial statements.

	June months ended		
	June 30,		
	2001	2002	2002
Segment profit or loss:			
Nidec	¥(171)	¥935	\$7,824
Nidec Singapore	403	603	5,046
Nidec Electronics (Thailand).....	317	671	5,615
Nidec Philippines.....	470	449	3,757
Nidec America	(124)	10	84
Nidec Power Motor	85	41	343
Nidec (Dalian)	172	999	8,360
Nidec Shibaura	110	58	486
Nidec Tosok.....	-	55	460
All Others	464	1,315	11,004
Total.....	<u>1,726</u>	<u>5,136</u>	<u>42,979</u>
Adjustments (*)	<u>(292)</u>	<u>(399)</u>	<u>(3,339)</u>
Consolidated total	<u>¥1,434</u>	<u>¥4,737</u>	<u>\$39,640</u>

(*) See Note 8 to the unaudited interim consolidated financial statements.

Net sales of Nidec Corporation increased 33.3% from ¥25,232 million for the three months ended June 30, 2001 to ¥33,627 million for the three months ended June 30, 2002. This increase resulted primarily from increased sales of hard disk drive spindle motors, cooling fans for computer processors and home video game consoles and small precision brushless DC motors used in DVD, CD-R and CD-R/W products. Operating profit increased ¥1,106 million from an operating loss of ¥171 million for the three months ended June 30, 2001 to an operating profit of ¥935 million for the three months ended June 30, 2002, due to increased sales and a decrease of research and development expenditures for fluid dynamic bearing motors.

Net sales of Nidec Singapore Corporation increased 36.0% from ¥10,319 million for the three months ended June 30, 2001 to ¥14,032 million for the three months ended June 30, 2002. This increase in sales was primarily due to increased demand for fluid dynamic bearing motors from a few main customers. As a result, operating profit of Nidec Singapore Corporation increased 49.6% from ¥403 million for the three months ended June 30, 2001 to ¥603 million for the three months ended June 30, 2002.

Net sales of Nidec Electronics (Thailand) Co., Ltd. increased 21.3% from ¥7,958 million for the three months ended June 30, 2001 to ¥9,651 million for the three months ended June 30, 2002, due to an increase in customer demand for fluid dynamic bearing motors from main customers. Operating profit increased 111.7% from ¥317 million for the three months ended June 30, 2001 to ¥671 million for the three months ended June 30, 2002. The major reason for this increase in operating profit was a successful shift to mass production of fluid dynamic bearing motors from conventional ball bearing motors.

Net sales of Nidec Philippines Corporation increased 13.6% from ¥5,701 million for the three months ended June 30, 2001 to ¥6,474 million for the three months ended June 30, 2002, due to increased sales of fluid dynamic bearing motors. The shift to mass production of fluid dynamic bearing motors has just begun and has not yet contributed to an increase in profits, particularly at the parts factory. As a result, operating profit of Nidec Philippines Corporation decreased 4.5% from ¥470 million for the three months ended June 30, 2001 to ¥449 million for the three months ended June 30, 2002.

Net sales of Nidec America Corporation increased 22.2% from ¥1,965 million for the three months ended June 30, 2001 to ¥2,402 million for the three months ended June 30, 2002, due to increased sales of fan motors used in microprocessor cooling units. Although Nidec America Corporation recorded an operating loss of ¥124 million for the three months ended June 30, 2001, it had operating profit of ¥10 million for the three months ended June 30, 2002. This was mainly due to increased domestic manufacturing of high-margin fan products.

Net sales of Nidec Power Motor Corporation decreased 20.9% from ¥2,781 million for the three months ended June 30, 2001 to ¥2,199 million for the three months ended June 30, 2002, due to sluggish demand for AC motors for home electric appliances. As a result, operating profit decreased 51.8% from ¥85 million for the three months ended June 30, 2001 to ¥41 million for the three months ended June 30, 2002.

Net sales of Nidec (Dalian) Limited increased 68.7% from ¥4,722 million for the three months ended June 30, 2001 to ¥7,966 million for the three months ended June 30, 2002, due to an increase in customer demand for fan motors and DC motors. Operating profit increased 480.8% from ¥172 million for the three months ended June 30, 2001 to ¥999 million for the three months ended June 30, 2002. The major reason for this increase in operating profit came from the improvement of cost efficiency by increased production of fan motors and DC motors.

Net sales of Nidec Shibaura Corporation decreased 8.4% from ¥5,164 million for the three months ended June 30, 2001 to ¥4,731 million for the three months ended June 30, 2002, due to sluggish demand for home electric appliance motors. As a result, operating profit decreased 47.3% from ¥110 million for the three months ended June 30, 2001 to ¥58 million for the three months ended June 30, 2002.

Nidec Tosok Corporation has been consolidated since February 2002, therefore, we do not present comparative data for the three-month period ended June 30, 2001.

Within the All Others segment, net sales increased 80.1% from ¥13,801 million for the three months ended June 30, 2001 to ¥24,862 million for the three months ended June 30, 2002. Operating profit also increased 183.4% from ¥464 million for the three months ended June 30, 2001 to ¥1,315 million for the three months ended June 30, 2002. In February 2002, Nidec acquired over 50% ownership of Nidec-Shimpo Corporation and certain other affiliated companies, and these companies were consolidated from their respective acquisition dates. The sales and operating profit of these companies were ¥5,950 million and ¥296 million, respectively, and are included in the All Others segment.

Liquidity and Capital Resources

During the three months ended June 30, 2002, our total assets decreased by ¥10,709 million, or 4.2%, to ¥247,202 million. This decrease was primarily due to reductions in cash and cash equivalents by ¥8,776 million and property, plant and equipment by ¥2,383 million. The appreciation of the yen had an important effect on Yen value of property, plant and equipment, which are held by foreign consolidated subsidiaries.

During the three months ended June 30, 2002, our total liabilities decreased by ¥7,499 million, or 4.6%, to ¥155,749 million. This decrease was due mainly to the repayment of ¥4,134 million in short-term borrowings used primarily for our capital investment and a decrease of ¥3,461 million in accrued income taxes payable.

During the three months ended June 30, 2002, working capital decreased by ¥245 million, or 3.7%, to negative ¥6,779 million. This decrease was due to the fact that our short-term borrowings, current portion of long-term debt, and trade notes and accounts payable exceeded our cash and cash equivalents.

Cash Flows

Net cash provided by operating activities increased from ¥2,200 million for the three months ended June 30, 2001 to ¥4,164 million for the three months ended June 30, 2002. This increase was principally due to an increase in depreciation and amortization and notes and accounts payable for the three months ended June 30, 2002 compared with the same period of the previous year despite an increase in notes and accounts receivable and a decrease in accrued income taxes.

Net cash used in investing activities was ¥5,878 million for the three months ended June 30, 2002 compared with ¥5,426 million for the three months ended June 30, 2001. This increase was due mainly to an increase in other investments.

Net cash used in financing activities was ¥4,982 million for the three months ended June 30, 2002 and net cash provided by financing activities was ¥1,120 million for the three months ended June 30, 2001. This decrease in net cash used in financing activities during the three months ended June 30, 2002 as compared with the same period of the previous year was mainly due to decreases in short-term borrowings and long-term debt.

NIDEC CORPORATION
CONSOLIDATED BALANCE SHEETS

ASSETS

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>2002</u>		<u>in thousands</u>
	<u>March 31</u>	<u>June 30</u>	<u>June 30</u>
		(Unaudited)	(Unaudited)
Current assets:			
Cash and cash equivalents.....	¥38,495	¥29,719	\$248,695
Trade notes and accounts receivable, net of allowance for doubtful accounts of ¥378 million in March and ¥346 million (\$2,895 thousand) in June:			
Notes	14,159	11,970	100,167
Accounts.....	46,253	47,280	395,649
Inventories:			
Finished goods	9,222	8,938	74,795
Raw materials.....	4,748	4,900	41,004
Work in progress	4,458	5,050	42,260
Project in progress.....	705	854	7,146
Supplies and other.....	468	436	3,648
Prepaid expenses and other current assets.....	6,174	7,431	62,184
Total current assets	<u>124,682</u>	<u>116,578</u>	<u>975,548</u>
Marketable securities and other securities investments.....	6,383	6,925	57,950
Investments in and advances to affiliated companies.....	29,776	29,453	246,468
Property, plant and equipment:			
Land	17,348	17,225	144,142
Buildings	39,728	39,336	329,172
Machinery and equipment.....	80,560	78,730	658,828
Construction in progress	5,827	5,401	45,197
	<u>143,463</u>	<u>140,692</u>	<u>1,177,339</u>
Less – Accumulated depreciation.....	(58,047)	(57,659)	(482,502)
	<u>85,416</u>	<u>83,033</u>	<u>694,837</u>
Other non-current assets.....	11,654	11,213	93,833
Total assets	<u>¥257,911</u>	<u>¥247,202</u>	<u>\$2,068,636</u>

The accompanying notes are an integral part of these financial statements.

NIDEC CORPORATION
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>2002</u>		<u>in thousands</u>
	<u>March 31</u>	<u>June 30</u>	<u>June 30</u>
		(Unaudited)	(Unaudited)
Current liabilities:			
Short-term borrowings	¥58,395	¥52,450	\$438,912
Current portion of long-term debt	15,365	13,605	113,849
Trade notes and accounts payable	44,973	46,304	387,481
Other current liabilities	12,483	10,998	92,034
Total current liabilities.....	<u>131,216</u>	<u>123,357</u>	<u>1,032,276</u>
Long-term liabilities:			
Long-term debt.....	21,360	22,628	189,356
Accrued pension and severance costs	9,496	9,538	79,816
Other long-term liabilities	1,176	226	1,891
Total long-term liabilities	<u>32,032</u>	<u>32,392</u>	<u>271,063</u>
Minority interest in consolidated subsidiaries.....	<u>9,188</u>	<u>8,777</u>	<u>73,448</u>
Commitments and contingencies			
Shareholders' equity:			
Common stock authorized:			
240,000,000 shares in 2002; issued and outstanding:			
63,563,653 shares in March and 63,568,486			
shares in June	26,469	26,473	221,531
Additional paid-in capital.....	25,801	25,806	215,950
Retained earnings	34,299	35,041	293,230
Accumulated other comprehensive income (loss)	(1,085)	(4,627)	(38,720)
Foreign currency translation adjustments.....	(1,401)	(4,966)	(41,557)
Unrealized gains on securities.....	326	349	2,921
Minimum pension liability adjustment.....	(10)	(10)	(84)
Treasury stock, at cost: 1,172 shares in March			
and 2,099 shares in June	(9)	(17)	(142)
Total shareholders' equity	<u>85,475</u>	<u>82,676</u>	<u>691,849</u>
Total liabilities and shareholders' equity.....	<u>¥257,911</u>	<u>¥247,202</u>	<u>\$2,068,636</u>

The accompanying notes are an integral part of these financial statements.

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the three-month</u> <u>period ended June 30</u>		<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30,</u>
	<u>2001</u>	<u>2002</u>	<u>2002</u>
Net sales	¥42,779	¥58,819	\$492,209
Operating expenses:			
Cost of products sold.....	36,634	47,486	397,372
Selling, general and administrative expenses.....	3,495	4,870	40,753
Research and development expenses	1,216	1,726	14,444
	<u>41,345</u>	<u>54,082</u>	<u>452,569</u>
Operating income	<u>1,434</u>	<u>4,737</u>	<u>39,640</u>
Other income (expense):			
Interest and dividend income	198	131	1,096
Interest expense.....	(353)	(267)	(2,234)
Foreign exchange loss, net.....	(32)	(3,434)	(28,736)
Loss on marketable securities, net	(40)	(38)	(318)
Other, net.....	(10)	297	2,485
	<u>(237)</u>	<u>(3,311)</u>	<u>(27,707)</u>
Income before provision for income taxes	1,197	1,426	11,933
Provision for income taxes	<u>(351)</u>	<u>(226)</u>	<u>(1,891)</u>
Income before minority interest and equity in earnings of affiliated companies	846	1,200	10,042
Minority interest in income of consolidated subsidiaries.....	99	37	310
Equity in net (income) losses of affiliated companies	<u>628</u>	<u>(214)</u>	<u>(1,791)</u>
Net income	<u>¥119</u>	<u>¥1,377</u>	<u>\$11,523</u>
	<u>Yen</u>		<u>U.S. dollars</u>
Per share data:			
Net income - basic	<u>¥1.89</u>	<u>¥21.67</u>	<u>\$0.18</u>
- diluted	<u>¥1.87</u>	<u>¥20.73</u>	<u>\$0.17</u>
Cash dividends	<u>¥12.50</u>	<u>¥10.00</u>	<u>\$0.08</u>

The accompanying notes are an integral part of these financial statements.

NIDEC CORPORATION

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)**

Yen in millions

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
	Shares	Amount					
Balance at March 31, 2002	63,563,653	¥26,469	¥25,801	¥34,299	¥(1,085)	¥(9)	¥85,475
Comprehensive income:							
Net income				1,377			1,377
Other comprehensive income (loss)							
Foreign currency translation adjustments					(3,565)		(3,565)
Unrealized gains on securities, net of reclassification adjustment					23		23
Total comprehensive income							(2,165)
Dividends paid				(635)			(635)
Conversion of convertible debt	4,833	4	5				9
Purchase of treasury stock						(8)	(8)
Balance at June 30, 2002	<u>63,568,486</u>	<u>¥26,473</u>	<u>¥25,806</u>	<u>¥35,041</u>	<u>¥(4,627)</u>	<u>¥(17)</u>	<u>¥82,676</u>

U.S. dollars in thousands

	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
Balance at March 31, 2002	\$221,498	\$215,908	\$287,021	\$287,021	\$(9,080)	\$(75)	\$715,272
Comprehensive income:							
Net income				11,523			11,523
Other comprehensive income (loss)							
Foreign currency translation adjustments					(29,832)		(29,832)
Unrealized gains on securities, net of reclassification adjustment					192		192
Total comprehensive income							(18,117)
Dividends paid				(5,314)			(5,314)
Conversion of convertible debt	33	42					75
Purchase of treasury stock						(67)	(67)
Balance at June 30, 2002	<u>\$221,531</u>	<u>\$215,950</u>	<u>\$293,230</u>	<u>\$293,230</u>	<u>\$(38,720)</u>	<u>\$(142)</u>	<u>\$691,849</u>

The accompanying notes are an integral part of these financial statements.

NIDEC CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	<u>Yen in millions</u>		<u>U.S.dollars in thousands</u>
	<u>For the three-month period ended June 30</u>		<u>For the three-month period ended June 30,</u>
	<u>2001</u>	<u>2002</u>	<u>2002</u>
Cash Flows from operating activities:			
Net income.....	¥119	¥1,377	\$11,523
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization.....	2,006	2,992	25,038
Other than temporary loss on devaluation of marketable securities	38	15	126
Loss on sales and disposal of fixed assets	12	253	2,117
Minority interest in income of consolidated subsidiaries	99	37	310
Equity in net losses (income) of affiliated companies	628	(214)	(1,791)
Changes in operating assets and liabilities:			
Decrease (increase) in notes and accounts receivable	1,461	(590)	(4,937)
Increase in inventories	(768)	(1,244)	(10,410)
(Decrease) increase in notes and accounts payable	(471)	2,837	23,741
Decrease in accrued income taxes	(1,772)	(3,461)	(28,962)
Other	848	2,162	18,092
Net cash provided by operating activities	<u>2,200</u>	<u>4,164</u>	<u>34,847</u>
Cash flows from investing activities:			
Additions to property, plant and equipment	(4,899)	(4,956)	(41,473)
Proceeds from sales of property, plant and equipment	14	57	477
Purchases of marketable securities	(69)	0	0
Proceeds from sales of marketable securities	-	91	762
Investments in and advances to affiliated companies	(726)	(192)	(1,607)
Proceeds from sales of investments in affiliated companies..	192	-	-
Payments for additional investments in subsidiaries, net of cash acquired	-	(243)	(2,033)
Other	62	(635)	(5,315)
Net cash used in investing activities	<u>(5,426)</u>	<u>(5,878)</u>	<u>(49,189)</u>
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings.....	¥2,133	¥(4,134)	(34,594)
Proceeds from issuance of long-term debt.....	30	1,165	9,749
Repayment of long-term debt	(227)	(1,310)	(10,962)
Dividends paid.....	(794)	(636)	(5,322)
Other	(22)	(67)	(562)
Net cash provided by (used in) financing activities...	<u>1,120</u>	<u>(4,982)</u>	<u>(41,691)</u>
Effect of exchange rate changes on cash and cash equivalents .	(85)	(2,080)	(17,406)
Net decrease in cash and cash equivalents.....	(2,191)	(8,776)	(73,439)
Cash and cash equivalents at beginning of period	30,204	38,495	322,134
Cash and cash equivalents at end of the first quarter.....	<u>¥28,013</u>	<u>¥29,719</u>	<u>\$248,695</u>

The accompanying notes are an integral part of these financial statements.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of preparation:

The accompanying interim condensed consolidated financial statements of NIDEC have been prepared in accordance with accounting principles generally accepted in the United States. The interim condensed consolidated financial statements are unaudited but include all adjustments, consisting of only normal recurring adjustments, which the Company considers necessary for a fair presentation of the consolidated financial position and the consolidated results of its operations and cash flows. Results for the three months ended June 30, 2002 are not necessarily indicative of results that may be expected for the full year.

U.S. dollar amounts are included solely for the convenience of the reader at the rate of ¥119.50= US\$1, the approximate current exchange rate at June 30, 2002.

Certain reclassifications in the consolidated statements of income and the consolidated statements of cash flows for the three-month period ended June 30, 2001, have been made to conform to the presentation used for the three-month period ended June 30, 2002.

Recent pronouncements -

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 143 "Accounting for Asset Retirement Obligations" ("SFAS 143"). NIDEC is required to adopt SFAS 143 effective for NIDEC on April 1, 2003. SFAS 143 requires full recognition of asset retirement obligations on the balance sheet from the point in time at which a legal obligation exists. The obligation is required to be measured at fair value. The carrying value of the asset or assets to which the retirement obligation relates would be increased by an amount equal to the liability recognized. This amount would then be included in the depreciable base of the asset and charged to income over its life as depreciation. NIDEC is currently in the process of evaluating the impact that SFAS 143 will have on its consolidated financial statements.

In April 2002, the FASB issued SFAS 145 "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections", effective for fiscal years beginning or transactions occurring after May 15, 2002. This statement rescinds certain authoritative pronouncements and amends, clarifies or describes the applicability of others. Nidec is now in the process of assessing the impact that the statement will have on Nidec's results of operations and financial position.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

2. Goodwill and other intangible assets

In July 2001, FASB issued Statement of Financial Accounting Standards No. 141, “Business Combinations” (“SFAS 141”) and Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets” (“SFAS 142”). SFAS 141 requires all business combinations to be accounted for using the purchase method of accounting and is effective for all business combinations initiated after June 30, 2001. SFAS 142 requires goodwill to be tested for impairment under certain circumstances, and written down when impaired, rather than being amortized as previous standards required.

As of April 1, 2002, SFAS 142 became effective. In accordance with SFAS 142, we ceased to amortize ¥3,649 million of goodwill on a straight-line basis over its estimated useful life. As a result of the adoption of SFAS 142, for the three-month period ended June 30, 2002, we did not recognize ¥242 million of goodwill amortization expense that would have been recognized if the previous standards had been in effect.

Also, we ceased to amortize ¥9,199 million of the portion of the difference between the cost of an investment and the amount of underlying equity in net assets of an equity method investee that is recognized as goodwill. For the three-month period ended June 30, 2002, we did not recognize ¥648 million of amortization on the equity method goodwill. As for equity method goodwill, we will continue to review equity method investments for impairment in accordance with Accounting Principles Boards Opinion No. 18 instead of conducting impairment tests under SFAS 142.

We have completed the transitional impairment test for existing goodwill as required by SFAS 142. We have determined that the fair value of each reporting unit which includes goodwill is in excess of its carrying amount. Accordingly, no impairment loss was recorded for goodwill upon the adoption of SFAS 142.

The changes in the carrying amount of goodwill for the three-month period ended June 30, 2002 are as follows:

	Yen in millions	U.S dollars in thousands
Balance as of April 1, 2002	¥3,611	\$30,217
Goodwill acquired during three month	38	318
Balance as of June 30, 2002	¥3,649	\$30,535

The carrying amounts of goodwill by operating segment as of April 1, 2002 were ¥3,520 million for the NCJ segment and ¥91 million for the NET segment. The amount of goodwill acquired during the three-month period ended June 30, 2002 was ¥17 million for the NCJ segment and ¥21 million for the NSBC segment.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

Actual results of operation for the three-month period ended June 30, 2002 and pro forma results of operation for the three-month period ended June 30, 2001 if we had applied nonamortization provisions of SFAS 142 in those periods were as follows:

	<u>Yen in millions</u>		<u>U.S. dollars in thousands</u>
	<u>For the three-month period ended June 30</u>		<u>For the three-month period ended June 30</u>
	<u>2001</u>	<u>2002</u>	<u>2002</u>
Reported net income	¥ 119	¥1,377	\$11,523
Add back:			
Goodwill amortization	195	-	-
Equity method goodwill amortization	894	-	-
Adjusted net income	<u>¥1,208</u>	<u>¥1,377</u>	<u>\$11,523</u>
Per share data:			
Reported basic EPS	¥1.89	¥21.67	\$0.18
Add back:			
Goodwill amortization	3.06	-	-
Equity method goodwill amortization	14.06	-	-
Adjusted basic EPS	<u>¥19.01</u>	<u>¥21.67</u>	<u>\$0.18</u>
Reported diluted EPS	¥1.87	¥20.73	\$0.17
Add back:			
Goodwill amortization	2.99	-	-
Equity method goodwill amortization	13.75	-	-
Adjusted diluted EPS	<u>¥18.61</u>	<u>¥20.73</u>	<u>\$0.17</u>

3. Earnings per share:

Basic earnings per common share is computed using the weighted average number of common shares outstanding during the period (63,550,977 and 63,565,182 shares for the three-month periods ended June 30, 2001 and 2002, respectively). Diluted earnings per common share is computed using the combination of dilutive common share equivalents and the weighted average number of common shares outstanding during the periods (64,986,111 and 67,226,259 shares for the three-month periods ended June 30, 2001 and 2002, respectively). All per share amounts have been restated to reflect the retroactive effect of stock splits.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

4. Summarized income statement information for affiliated companies:

Summarized financial information for affiliated companies accounted for by the equity method is shown below:

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30</u>		<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30,</u>
	<u>2001</u>	<u>2002</u>	<u>2002</u>
Net revenue	¥32,196	¥20,243	\$169,397
Gross profit	¥5,167	¥3,372	\$28,218
Net income	¥526	¥398	\$3,331

In February 2002, Nidec acquired additional ownership of Nidec-Shimpo Corporation (“NSCJ”) and Nidec-Tosok Corporation (“NTSC”) which became consolidated subsidiaries as a result. Also as a result of these acquisitions, Nidec’s ownership of certain other equity-method affiliates such as Nidec-Read Corporation (“NRCJ”) increased which resulted in them also becoming consolidated subsidiaries.

5. Income taxes:

NIDEC is subject to a number of different income taxes, which, in the aggregate, indicate a statutory rate in Japan of approximately 42.0% for the three-month periods ended June 30, 2001 and 2002. Reconciliation of the differences between the statutory tax rate and the estimated effective income tax rate are as follows:

	<u>For the</u> <u>three-month period</u> <u>ended June 30</u>	
	<u>2001</u>	<u>2002</u>
Statutory tax rate.....	42.0%	42.0%
Increase (reduction) in taxes resulting from:		
Tax benefit in foreign subsidiaries	(24.5)	(107.6)
Tax on undistributed earnings	9.2	44.2
Other.....	2.7	37.3
Estimated effective income tax rate.....	29.4%	15.9%

The estimated effective tax rate for the three-month period ended June 30, 2002 was lower compared to the estimated effective tax rate for the three-month period ended June 30, 2001. This was mainly due to tax benefits received by foreign subsidiaries in the form of increased tax-exempt income and income derived from lower tax jurisdictions. This decrease in our estimated effective income tax rate was partially offset by an increase in tax on undistributed earnings due mainly to a decrease in dividends received from foreign subsidiaries.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

6. Comprehensive income

NIDEC's total comprehensive income (loss) for the three-month period ended June 30, 2001 and 2002 was as follows:

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30</u>		<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30,</u> <u>2002</u>
	<u>2001</u>	<u>2002</u>	<u>2002</u>
Net income.....	¥119	¥1,377	\$11,523
Other comprehensive income (loss):			
Foreign currency translation adjustments.....	(567)	(3,565)	(29,832)
Unrealized gains on securities, net of reclassification adjustment.....	182	23	192
	<u>(385)</u>	<u>(3,542)</u>	<u>(29,640)</u>
Total comprehensive income	<u>¥(266)</u>	<u>¥(2,165)</u>	<u>\$(18,117)</u>

7. Contingencies:

Contingent liabilities for guarantees given in the ordinary course of business amounted to approximately ¥153 million (\$1,280 thousand) at June 30, 2002. These contingent liabilities primarily relate to the Companies' guarantee of affiliated companies' borrowings from banks.

The Company and its U.S. subsidiary, Nidec America Corporation (collectively, the "Companies"), were sued in 1991 in the U.S. District Court, District of Connecticut, by Comair Rotron, Inc. ("Rotron"), an action in which Rotron claims that fans manufactured or distributed by the Companies infringe upon two of Rotron's patents. The case was tried by jury in Hartford, Connecticut, from April 1 through April 22, 2002. The jury returned a verdict finding that one category of the Companies' fans infringed upon one of the 12 claims made by Rotron related to one of its patents. The fans found to be infringing are those produced on magnetizing fixtures of Nidec America Corporation. The jury found no infringement by fans manufactured on fixtures of the Company, and it found no infringement by the Companies upon Rotron's patent covering the apparatus and method by which fans are made. The jury's verdict rejected the Companies' defense of patent invalidity. It is not possible at this stage to determine the outcome of this matter or the amount of damages, if any, that may result. The Companies will defend themselves vigorously on the grounds of non-infringement, invalidity and inequitable conduct. At the end of June 2002, the U.S. District Court Judge ordered the parties to participate in a mediation before U.S. Magistrate Judge to discuss possible settlement. The mediation conference is scheduled for August 30, 2002.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued) (Unaudited)

The Company received notice from Matsushita Electric Corporation (“Matsushita”) claiming that small precision brushless DC motors manufactured by the Company infringe one of Matsushita’s patents relating to neodymium magnets and has not been able to resolve this matter through negotiation. Accordingly, the Company filed a claim with the Japanese Patent Office on November 16, 2001 seeking a declaratory judgment that the patent is invalid on several grounds, the primary one being that the invention is obvious in view of prior art. On July 17, 2002, the Japanese Patent Office determined that Matsushita's patent was invalid. If Matsushita is not satisfied with this decision, Matsushita may petition the Tokyo High Court to rescind the decision within one month from the receipt of this decision. It is likely that Matsushita will counter by filing a patent infringement action against the Company in district court. If the Tokyo High Court were to conclude that the patent was valid and the Company were to lose on appeal in subsequent judicial proceedings, it is possible that the Company’s small precision brushless DC motors may be found to infringe the patent. In that event, Matsushita could demand damages for past infringement as well as a reasonable royalty for a license to continue manufacturing small precision brushless DC motors under the patent, all of which could have an adverse effect on NIDEC’s financial condition and results of operations. However, the Company does not believe that Matsushita’s claim is meritorious and, if a suit is filed, the Company will defend itself vigorously on the ground of non-infringement, invalidity of the patent and inequitable conduct.

NIDEC is subject to other legal proceedings and claims that arise in the ordinary course of business. While it is not possible to predict the ultimate outcome of the matters discussed above, in the opinion of NIDEC’s management, the amount of any ultimate liability with respect to these actions will not materially affect NIDEC’s business, consolidated financial statements or results of operations.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

8. Segment data:

(1) Enterprise-wide information

The following table provides product information for the three-month period ended June 30, 2001 and 2002:

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30</u>		<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30,</u> <u>2002</u>
	<u>2001</u>	<u>2002</u>	
Net sales:			
Small precision motors			
Hard disc drives spindle motors.....	¥19,241	¥24,154	\$202,125
Other small precision brushless DC motors.....	4,483	6,243	52,243
Small precision brushed DC motors	400	650	5,439
Brushless DC fans	5,060	8,258	69,105
Sub-total.....	29,184	39,305	328,912
Mid-size motors.....	9,530	10,002	83,699
Machinery and power supplies.....	2,208	5,248	43,916
Others	1,857	4,264	35,682
Consolidated total	<u>¥42,779</u>	<u>¥58,819</u>	<u>\$492,209</u>

(2) Operating segment information

NCD, NSBC and NTSC were identified as reportable segments in the current period. Segment information for the three-month period ended June 30, 2001 has been restated to conform to the current presentation.

NCD segment comprises Nidec (Dalian) Limited, a subsidiary in China, which primarily produces and sells DC motors and fans.

NSBC segment comprises Nidec Shibaura Corporation, a subsidiary in Japan, which primarily produces and sells mid-size motors.

NTSC segment comprises Nidec Tosok Corporation, a subsidiary in Japan, which primarily produces and sells automobile parts and machinery.

We evaluate our financial performance based on segmental profit and loss, which consists of sales and operating revenues less operating expenses. Segmental profit or loss is determined using the accounting principles in the segment's country of domicile. NCJ, NPMC, NSBC and NTSC apply Japanese GAAP, NCS applies Singaporean accounting principles, NET applies Thai accounting principles, NCF applies Philippine

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

accounting principles, NCA applies U.S. GAAP, and NCD applies Chinese accounting principles. Therefore our segmental data has not been prepared under U.S. GAAP on a basis that is consistent with our consolidated financial statements or on any other single basis that is consistent between segments. While there are several differences between U.S. GAAP and the underlying accounting principles used by the eight operating segments other than NCA, the principal differences that affect segmental operating profit or loss are accounting for pension and severance costs, directors' bonuses, and leases. We believe that the monthly segmental information is available on a timely basis and that it is sufficiently accurate at the segment profit and loss level for us to manage our business.

The following tables show revenues from external customers and other financial information by operating segment for the three-month period ended June 30, 2001 and 2002:

Business segment

	Yen in millions		U.S. dollars
	For the		in thousands
	three-month		For the
	period ended		three-month
	June 30		period ended
	2001	2002	June 30,
			2002
Revenue from external customers:			
NCJ.....	¥13,687	¥15,945	\$133,431
NCS.....	9,572	13,188	110,360
NET.....	2,962	4,548	38,059
NCF.....	1,189	1,157	9,682
NCA.....	1,835	2,038	17,054
NPMC.....	2,781	2,177	18,217
NCD.....	0	3	25
NSBC.....	4,824	4,284	35,849
NTSC.....	-	4,418	36,971
All Others.....	5,857	10,983	91,908
Total.....	42,707	58,741	491,556
Others *1.....	72	78	653
Consolidated total.....	¥42,779	¥58,819	\$492,209

*1 Others mainly include recognition of sales to affiliates that are consolidated under Japanese GAAP but equity accounted under U.S. GAAP.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	For the three-month period ended June 30		For the three-month period ended June 30,
	2001	2002	2002
Revenue from other operating segments:			
NCJ.....	¥11,545	¥17,682	\$147,967
NCS.....	747	844	7,063
NET.....	4,996	5,103	42,703
NCF.....	4,512	5,317	44,493
NCA.....	130	364	3,046
NPMC.....	0	22	184
NCD.....	4,722	7,963	66,636
NSBC.....	340	447	3,741
NTSC.....	-	165	1,381
All Others.....	7,944	13,879	116,142
Total.....	34,936	51,786	433,356
Intersegment elimination.....	(34,936)	(51,786)	(433,356)
Consolidated total.....	¥0	¥0	\$0

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)
(Unaudited)

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the</u> <u>three-month</u> <u>period ended</u> <u>June 30</u>		<u>For the</u> <u>three-month</u> <u>Period ended</u> <u>June 30,</u> <u>2002</u>
	<u>2001</u>	<u>2002</u>	
Segment profit or loss:			
NCJ.....	¥(171)	¥935	\$7,824
NCS.....	403	603	5,046
NET.....	317	671	5,615
NCF.....	470	449	3,757
NCA.....	(124)	10	84
NPMC.....	85	41	343
NCD.....	172	999	8,360
NSBC.....	110	58	486
NTSC.....	-	55	460
All Others.....	464	1,315	11,004
Total.....	<u>1,726</u>	<u>5,136</u>	<u>42,979</u>
U.S. GAAP adjustments to accrue pension and severance costs.....	(142)	92	770
Consolidation adjustments mainly related to elimination of intercompany profits.....	(185)	(512)	(4,285)
Others *1.....	35	21	176
Consolidated total.....	<u>¥1,434</u>	<u>¥4,737</u>	<u>\$39,640</u>

*1 Others mainly include other U.S. GAAP adjustments.

NIDEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued) (Unaudited)

9. Subsequent events:

Nidec America Corporation, the Company's wholly owned subsidiary, sold the operating assets of its power supplies division to Ault Incorporated on July 16, 2002. Ault Incorporated, which is headquartered in Minneapolis MN, is one of the leading North American manufacturers of external power conversion products. The amount that the Company is to receive for the transfer of the business and the total amounts of assets and liabilities transferred were determined on a book value basis as indicated below. However, the selling price may be adjusted if the due diligence audit results in adjustments greater than US\$200 thousand in the aggregate.

Agreed amount for the transfer of the power supplies division:	US\$ 2,440,000
Total transfer assets:	US\$ 2,578,000
Total transfer liabilities:	US\$ 138,000

NIDEC believes that this transaction will not have a material impact on NIDEC's consolidated financial statements.

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