NIDEC PRACTICES VIRTUOUS MANAGEMENT IN LINE WITH ITS BUSINESS PHILOSOPHY TO SUSTAINABLY INCREASE ENTERPRISE VALUE.

To win public trust and sustainably enhance enterprise value on the basis of firmly established corporate integrity, the Nidec Group is striving to strengthen its management systems in accordance with the motto Management with Integrity. In May 2006 Nidec established the Corporate Governance Policy to clearly define and gain stakeholder understanding of our thinking on corporate governance.

BOARD OF DIRECTORS

The Board of Directors decides important management matters and supervises the execution of business. Although the Company does not appoint outside directors, it undertakes to ensure an effective Board of Directors by recruiting excellent human resources from outside the Group. A number of Nidec directors have come from other companies.

CORPORATE AUDITORS

The corporate auditors audit the directors in their execution of duties and conduct accounting audits. Four of the Company's five corporate auditors are outside auditors who serve as an external check on management. The corporate auditors attend meetings of the Board of Directors and other important meetings and conduct audits in cooperation with the independent accounting auditors and the Internal Audit and Management Advisory, a dedicated organization responsible for internal control.

EXECUTIVE BODIES

The Company has established as executive bodies the Management Meeting, which convenes monthly, and the Managing Directors' Meeting, which convenes weekly. The Managing Directors' Meeting is an advisory body to the CEO comprising directors with title other than the CEO that prevents excessive concentration of authority in the CEO.

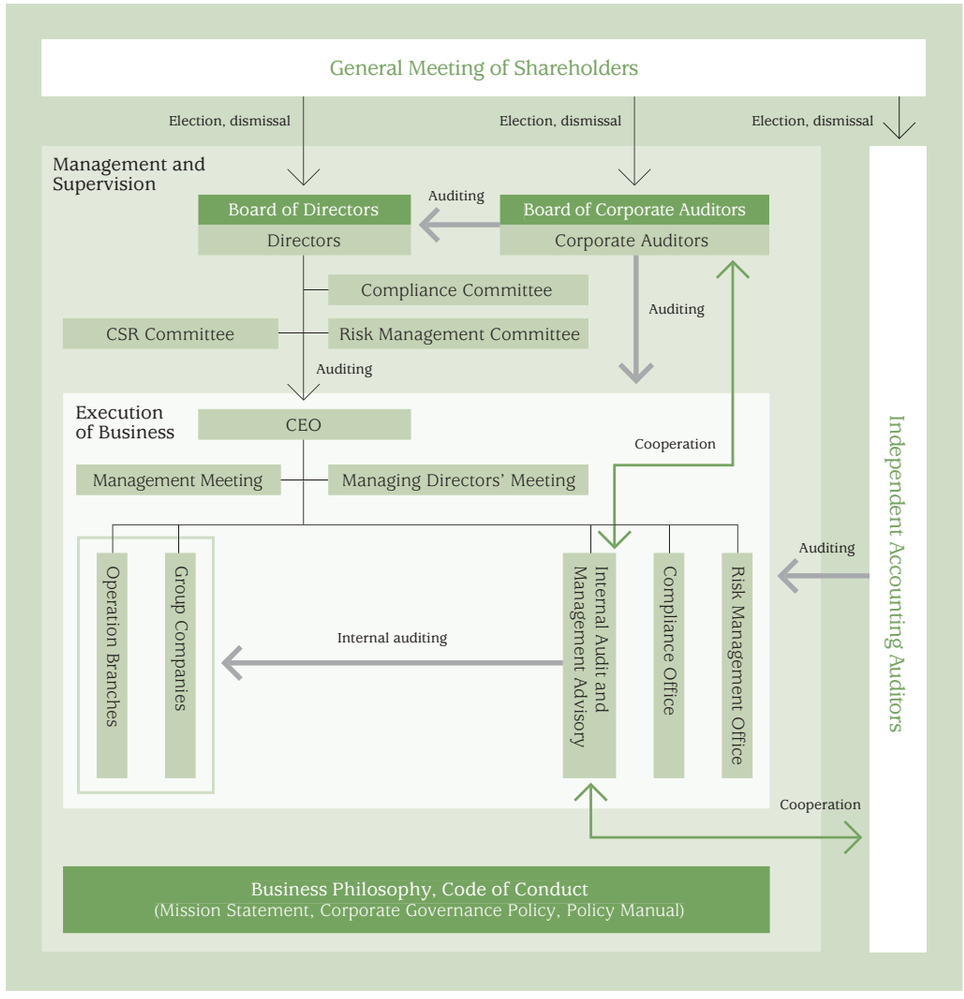
INTERNAL CONTROL SYSTEMS

Before the need for compliance with Japan's equivalent of the SOX Act, the Internal Audit and Management Advisory, a dedicated organization responsible for internal control, took the lead in constructing internal control systems that comply with the Sarbanes-Oxley Act (SOX Act) of the United States, a requirement for companies listed on the New York Stock Exchange. The Company has prepared documents including the Nidec Policy Manual, the Group's basic policy on internal control, other manuals and regulations, confirmed the operation of internal control, and corrected inadequacies. The independent accounting auditors have judged internal control effectiveness to be appropriate. (Information current as of May 2007)

COMPLIANCE AND RISK MANAGEMENT SYSTEMS

The Compliance Committee and Risk Management Committee, established under the Board of Directors, respectively develop annual policies and strive to ensure the rigorous practice and improvement of compliance and risk management by confirming that the operation branch managers and department managers develop, implement, and improve annual plans. The Committees have as their secretariats the Compliance Office and the Risk Management Office, respectively.

CORPORATE GOVERNANCE ORGANIZATION CHART



For details, refer to the following webpage:
http://www.nidec.co.jp/environment/governance