

**NOTICE OF
THE 31st ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

to be held in Kyoto, Japan

on June 23, 2004

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

Nidec Corporation

Kyoto, Japan

May 26, 2004

Dear Shareholders:

Notice of the 31st Annual General Meeting of Shareholders

This is to inform you that the Company's 31st Annual General Meeting of Shareholders will be held as described below. You are cordially invited to attend the meeting.

If it is inconvenient for you to attend the meeting, you can mail the voting instruction card, duly signed by you after marking "for" or "against" each proposal, or access the voting website of which the URL is indicated on the voting instruction card and vote on the net (please refer to p.28). We ask you to vote after examining the reference materials contained herein.

1. Date: 10:00 a.m. Wednesday, June 23, 2004

2. Place: RIHGA ROYAL HOTEL KYOTO
Horikawa-Shiokoji, Shimogyo-ku, Kyoto, Japan

3. Purposes of the Meeting:

– Matters to be Reported:

The business report, balance sheet and statement of income with respect to the 31st fiscal period from April 1, 2003 to March 31, 2004

– Matters to be Acted Upon:

Proposal No. 1: To approve the proposed appropriation of profits with respect to the 31st fiscal period

Proposal No. 2: To amend partly the articles of incorporation
An outline is given in the following reference documents for voters (p.21)

Proposal No. 3: To elect fourteen directors

Proposal No. 4: To elect one corporate auditor

Proposal No. 5: To grant a retirement allowance to retiring directors for their meritorious service.

Sincerely yours,

Shigenobu Nagamori
Chairman, President & CEO
Nidec Corporation
338 Tonoshiro-cho, Kuze, Minami-ku,
Kyoto 601-8205 Japan.

Shareholders attending the meeting are requested to hand in the enclosed voting instruction card to the reception desk at the meeting.

Appendix to the Notice of the 31st Annual General Meeting of Shareholders

Business Report for the 31st Fiscal Period **(Fiscal year from April 1, 2003 to March 31, 2004)**

1. Outline of Business

1. BUSINESS PROGRESS & RESULTS

(1) Overall Conditions

The fiscal year 2003 started with worldwide instability, due to factors like the Iraq war and the SARS epidemic, and later, the U.S. economy's recovery and the Chinese economy's continued high growth brought a favorable recycling pattern to our economy. The long period of financial instability has been improving and an adjustment in overcapacity, excessive liabilities, and surplus employment has been achieved and as a result, our economy is coming out of the prolonged period of stagnation. Both at home and abroad despite the variable risks like political affairs, terrorists attacks, or exchange rate volatility, investment in equipment and consumer spending have gradually increased. Also in the fields of Nidec operation, as demand for IT products and equipment investment expand, sales of various types of motors and precision electronic parts in digitally related fields have expanded. However, these expanding demands necessitate the latest level of technology and lower costs and therefore these requirements can only be met in a strictly competitive environment centering on Asian countries especially China. In order to cope with these market and cost requirements, Nidec has carried out a thoroughgoing shift of production and sales to overseas, while actively promoting the development of the new technology of FDB (fluid dynamic bearings) for motors, a large production increase of DVDs and motors for optical disks, and the development and quantity production of motors for use in automobiles.

As a result, net sales for fiscal 2003 decreased 8.2% from the previous year to ¥118,636 million and operating profit plunged 57.9% below the previous year to ¥1,482 million. It needs to be understood that in a business operation based on a consolidated accounting system, a consolidated profit or loss does not always reflect a single company's results. With the operating profit decrease, the recurring profit went down 34.0% from the previous year, to ¥4,785 million. Net income for the year was 45.7% down from the previous term to ¥2,695 million. This is due to an increased corporate tax burden caused by a decrease in the amount of foreign exemptions.

(2) Sales by Product Segment

Sales of small precision motors decreased 4.9% from the previous year to ¥112,700 million, accounting for 95.0% of all sales. In HDD (hard disk drives) spindle motors for this year, as the share of direct overseas sales increased, the sales Nidec Corporation handled decreased 12.7% from the previous term. Meanwhile, motors for optical disk drives, a dominant sphere for Japanese manufacturers, increased 12.5% over the previous term and cooling fan motors decreased 23%.

Among mid-sized motors, automobile power-steering motors expanded favorably but as the sales were made in the form of motors without controlling circuits, the sales amount decreased 57.2% from the previous year to ¥3,900 million.

Machinery increased 30.2% over the previous year to ¥1,900 million.

Category	Year ended March 31, 2003		Year ended March 31, 2004		
	Sales (Millions of yen)	Percentage of Total sales	Sales (Millions of yen)	Percentage of Total sales	Percentage of Previous year
Small precision motors	118,518	91.8	112,734	95.0	95.1
Mid-sized motors	9,117	7.0	3,909	3.3	42.8
Machinery	1,528	1.2	1,990	1.7	130.2
Other	0	0.0	2	0.0	562.9
Total	129,164	100.0	118,636	100.0	91.8

Notes: 1. Amounts less than one million yen have been omitted.

2. FUTURE OUTLOOK & ISSUES

In the year ending March 31, 2005 (fiscal 2004), with the on-going deflation reaching its last stage, an adverse economic environment is predicted in which there will be a further tendency toward price reductions at the outlet stage of products, while on the other hand, there will be a tendency toward price rises for primary and raw materials because of growing demand. Also in the field of exchange, the U.S. dollar and Chinese Yuan carry considerable risks. Under these conditions, Nidec Corporation, as the core corporate of Nidec consolidated group, in order to realize an aggregate group sales amount of ¥1,000,000 million (¥1 trillion) before 2010, will enforce every possible policy including M&A (mergers and acquisitions) and at the same time aim to further expand the core business. Concrete goals for this term are the achievement of Three "New"s (New product development, New market, New customers) and a profit increase for the entire group through untiring promotion of cost improvements. We will continue to enlarge the base for optimum production places and to improve profitability through progress in cost reductions across the board. To succeed in the increasingly competing market, the whole group will accept the challenge of "speed" adopted as its key word. Also in the coming year, the structures and the system will be perfected for carrying out our social responsibilities to society and the market, at home and abroad, and performance of this task will be promoted. The continued patronage and encouragement of shareholders is heartily appreciated.

3. FINANCING

In this term, under the date of Oct. 17, 2003, yen-denominated convertible type preemptive bonds with a total face amount of ¥30,000 million and a total issued amount of ¥30,900 million were issued. The net total amount of short-term and long-term borrowings is ¥13,268 million. The objectives are investments for expansion of the Nidec group, covering the costs of bond redemption, and the capital expenditure. These bond issues, borrowings, and self-financing were appropriated for the capital expenditures explained in 4 below.

4. Capital Expenditures

The total amount of capital expenditure during the term was ¥5,506 million and the large expenditures were as follows: -

Purchasing a land lot formerly owned by Sankyo Seiki Mfg. Co., Ltd.	¥4,122 million
Equipment for development at Shiga Technical Center	¥358 million
Equipment for development at the Central Technical Laboratory	¥220 million
Fixtures and equipments at Head Office	¥271 million

Additionally, ¥533 million was appropriated chiefly for equipment for developing new products and labor-saving and streamlining investments.

5. Progress of Business Results & Assets

Category	Year ended March 31,			
	2001	2002	2003	2004
Net sales (in millions of yen)	99,605	124,884	129,164	118,636
Recurring profit (in millions of yen)	8,336	11,242	7,252	4,785
Net income (in millions of yen)	5,421	7,316	4,965	2,695
Net income per share (in yen)	89.11	115.11	77.04	40.83
Total assets (in millions of yen)	154,285	165,253	168,871	217,141
Net assets (in millions of yen)	78,941	84,624	88,039	100,125
Net assets per share (in yen)	1,242	1,331	1,383	1,539

Notes: 1. Amounts less than one million yen have been omitted.

2. The net income per share amount is computed using the average number of shares outstanding during each fiscal period, while the net assets per share amount is based on the number of shares outstanding at the end of each period.

3. Because of the coming into force of the Accounting Standards regarding Net Profit per Share for This Term (Corporate Accounting Standards No.2) and the Guide to the Application of Corporate Accounting Standards regarding Net Profit per Share for This Term (Guide to Application of Corporate Accounting Standards No.4) from April 1, 2002, these standards and guide were followed when calculating the net assets amount per share for the 30th and the 31st term.

- In fiscal 2000, as a result of a fall in demand for personal computer, demand for motors for CD-ROM/DVDs experienced its largest decrease, but the effect on demand for HDD motors was small, because demand benefited from growth in demand for other new products. The costs of start-up development and investment increased but marginal profits from the lower yen exchange rate and other factors resulted in a 1.5% increase in sales and a 17.6% increase in recurring profit.
- In fiscal 2001, FDB operation was promoted, demand for HDD motors and motors for optical disk drives was steady, strong demand for home video game consoles and cooling fans used for MPUs continued, mass-production and delivery of motors used for automobile power-steering started, and the yen stayed at a low rate. All these resulted in sales going up 25.3% and recurring profit up 34.8%.
- In fiscal 2002, by carrying out thoroughgoing overseas shift of production and by actively promoting more strongly the field of FDB for motors, and investment in the development of motors for use in automobiles, sales increased 3.4% but recurring profit decreased 35.5% due to exchange loss caused by the yen's depreciation and other factors.
- An outline of fiscal 2003 results is given in 1. BUSINESS PROGRESS & RESULTS.

2. Company Overview (as of March 31, 2004)

1. Principal Business

Nidec's principal business is the manufacture and sale of spindle motors for computer HDDs and other small precision motors used in computer peripherals, office automation equipments, home appliances and other equipment. Nidec also manufactures and sells mid-sized motors, industrial equipment and HDD pivot assemblies.

2. Principal Offices and Factories

(as of March 31, 2004)

Corporate head office:	Kyoto
Research and development centers:	
Central Technical Laboratory:	Kyoto
Shiga Technical Center:	Shiga
Nagano Technical Center:	Nagano
Tottori Technical Center:	Tottori
Sales offices:	
Tokyo Branch Office, West Tokyo Branch Office, Osaka Branch Office, Nagoya Sales Office, Kyushu Sales Office	
Factories:	
Mineyama Precision Machining Center	Kyoto
Molds Preparation	Nagaokakyo

3. Shares (as of March 31, 2003)

(1) Number of shares authorized to be issued	240,000,000
(2) Number of shares issued	65,017,898

Notes: The number of shares outstanding increased by 860,179 shares due to the conversions of Nidec's 2nd unsecured convertible bonds, issued on January 28, 1999 and the 3rd unsecured convertible bonds, issued on January 28, 1999.

Under the date of October 1, 2003, shares were exchanged between Nidec as a wholly-dontrolling company and Nidec-Shimpo Corporation as a wholly-owned company. For the exchange of shares, Nidec issued 582,990 Nidec shares and allotted these shares to the final shareholders, excluding Nidec, listed on the register of Nidec-Shimpo Corporation shareholders on the previous day (September 30, 2003) of the exchange of shares at the ratio of one Nidec-Shimpo Corporation's common share to 0.060 Nidec's common shares.

(3) Number of shareholders	10,420
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4. Major shareholders:

Name	Share ownership (in thousands of shares)	Voting ratios	Our investment in major shareholder (in thousands of shares)	Voting ratios
Japan Trustee Service Bank, Ltd.	7,344	11.32 %	-	- %
The Master Trust Bank of Japan, Ltd.	6,528	10.06	-	-
Shigenobu Nagamori	5,971	9.20	-	-
S-N Kohsan Ltd.	4,433	6.83	-	-
The Kyoto Bank, Ltd.	2,904	4.47	844	0.25
Dai-Ichi Life Insurance Company	2,544	3.92	-	-
Trust & Custody Services Bank, Ltd.	2,258	3.48	-	-
Nippon Life Insurance Company	1,852	2.85	-	-
Meiji Yasuda Life Insurance Company	1,721	2.65	-	-
The Bank of Tokyo-Mitsubishi, Ltd.	1,507	2.32	-	-

Notes: 1. Holdings of less than 1,000 shares have been omitted. Figures for Voting ratios are rounded to two decimal places.

2. The shares held by Japan Trustee Services Bank, Ltd. are in its trust account.

3. The shares held by The Master Trust Bank of Japan, Ltd are in its trust account, of which 175,000 shares held by The Tottori Bank, Ltd. and 100,000 shares held by The Hachijyuni Bank, Ltd. have been trusted for an employees' severance benefits trust.

4. The shares held by Trust & Custody Services Bank, Ltd. are in its trust account.

5. Acquisition, disposal and holding of treasury shares

- 1) Acquired shares
 - Acquisition by purchase of odd-unit shares
 - Ordinary shares 5,712 shares
 - Total amount for acquisition ¥57 million
 - Among these shares,
 - A. Shares purchased from particular Shareholders.
No pertinent figures
 - B. Shares purchased following resolutions made by the Board of Directors.
No pertinent figures
- 2) Disposed shares
 - Disposal by selling odd-unit shares
No pertinent figures
- 3) Holdings at the close of the fiscal year
 - Ordinary shares 14,360 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	2,967 rights	15,000 rights
Types of shares to be issued upon Exercise of Common Stock-Acquisition Rights	Nidec common shares	Nidec common shares
Number of shares to be issued upon Exercise of Common stock-Acquisition Rights	296,700 shares	1,500,000 shares
Price of issuing acquisition rights	Without compensation	Without compensation

Notes: 1. Acquisition rights resolved under the date of May 14, 2003 were issued to directors, corporate auditors, and employees of Nidec and its affiliates as stock options.

2. As acquisition rights resolved under the date of September 30, 2003 for convertible type acquisition bonds these rights are not transferable separately from the bonds and exercising the rights shall be deemed payment for shares by bonds, and considering the marketability of acquisition bonds, the rights were issued without compensation.

- 2) Acquisition rights granted upon specially favorable terms to those other than shareholders during this fiscal term.

A. Contents of acquisition rights issued.

1. Date of resolution May 14, 2003
2. Number of acquisition rights issued 2967 rights
(1 acquisition right corresponds to 100 shares)
3. Types and number of shares as objects of acquisition rights Common shares 296,700 shares
4. Price of issuing acquisition rights Without compensation
5. Paid-in amount per share at the time of exercise of right ¥7,350
6. Period of exercise of acquisition right July 1, 2004 ~ June 30, 2007
7. Terms of exercise of acquisition rights
 - a. The right holder, at the time of exercise of the right, should hold a position as director, corporate auditor or employee of Nidec or its affiliate or have an adviser contract with Nidec.
 - b. In case of death of the right holder, the successor is not allowed to exercise the right.
 - c. The right holder is not allowed to pledge or to dispose of the right at any case.
 - d. Other terms of exercise of the right are stipulated by the contract granting the acquisition right between Nidec and the right holder based on a resolution of the general meeting of shareholders and the board of directors.
8. Reasons and terms of forfeiture of acquisition rights.
 - a. In case the acquisition right is not taken over by reason of Nidec merging with a company or Nidec being merged into a new company, or in case Nidec becomes a wholly-owned subsidiary as a result of

exchanging shares with other company, if these proposals are resolved by the general meeting of shareholders, the acquisition right can be forfeited without compensation.

- b. In case those who were allotted acquisition rights can not meet the terms prescribed in 2)-A-7-a, and are deprived of the rights, Nidec can extinguish the acquisition right without compensation.
9. Restriction on the transfer of the acquisition right.

In case of the transfer of the acquisition right, a resolution by the board of directors is required.

10. Contents of specially favorable terms of acquisition rights.

Acquisition rights were granted gratuitously to directors, corporate auditors and employees of Nidec and its affiliates.

- B. Names of those allotted acquisition rights other than the specified Nidec employees, their positions and duties and the number of the allotted rights.

Position and duty in Nidec	Names	Number of acquisition rights
President & CEO	Shigenobu Nagamori	50
Executive Vice President & COO	Hiroshi Kobe	25
Executive Vice President & CFO	Yasunobu Toriyama	25
Senior Managing Director	Yuzo Suzuki	20
Senior Managing Director	Kenji Sawamura	20
Senior Managing Director	Yasuo Hamaguchi	20
Managing Director	Kensuke Tanabe	15
Managing Director	Yoshiharu Kinugawa	15
Managing Director	Seiji Hashimoto	15
Managing Director	Kouichi Yamamoto	15
Senior Executive Director	Seizaburo Kawaguchi	10
Senior Executive Director	Toshihiro Kimura	10
Senior Executive Director	Norio Nomura	10
Senior Executive Director	Seiichi Hattori	10
Senior Executive Director	Tetsuo Inoue	10
Senior Corporate Auditor	Yoichi Ichikawa	5

Notes: The above positions are as of time of assignment (May 14, 2003).

- C. Names of specified employees allotted acquisition rights and the number of the allotted rights.

Position and duty	Names	Number of acquisition rights
Director of Nidec's affiliate	Keenan, Thomas	15
Employee of Nidec's affiliate	Kulik, Michael	10
Employee of Nidec's affiliate	Tyson, Joseph	10
Nidec's employee	Kiyoyoshi Takegami	9
Employee of Nidec's affiliate	Foley, Richard	9
Director of Nidec's affiliate	Mitsuru Tsuyoshi	8
Director of Nidec's affiliate	Syoji Kizawa	8
Director of Nidec's affiliate	Yoshihiro Takemura	8
Nidec's Employee	Fumihiko Umeda	8
Nidec's Employee	Minoru Matsumiya	8
Nidec's Employee	Satoshi Nakajima	8
Nidec's Employee	Soichi Saida	8
Employee of Nidec's affiliate	Hoover, John	8

- D. Names of directors and corporate auditors of Nidec's affiliates allotted acquisition rights in number more than the liest allotted number of acquisition rights to Nidec's directors and corporate auditors.

Position and duty	Names	Number of acquisition rights
Director of Nidec's affiliate	Satoru Kaji	7
Director of Nidec's affiliate	Toshihiko Miyabe	7
Director of Nidec's affiliate	Hitosi Tatsuno	7
Director of Nidec's affiliate	Kuniyasu Tanpo	7
Director of Nidec's affiliate	Nobutoshi Yoshida	6
Director of Nidec's affiliate	Masahiko Murata	6
Director of Nidec's affiliate	Manabu Yamazaki	6
Director of Nidec's affiliate	Kunihiko Nishihara	6
Director of Nidec's affiliate	Tsutomu Waraya	6
Director of Nidec's affiliate	Takuo Yasui	6
Director of Nidec's affiliate	Yoshio Mizushiri	6
Director of Nidec's affiliate	Tadayosi Sano	6
Director of Nidec's affiliate	Noriaki Katakawa	5
Director of Nidec's affiliate	Toshio Morita	5
Director of Nidec's affiliate	Yoshio Takahara	5
Director of Nidec's affiliate	Hiroyuki Fujita	5
Director of Nidec's affiliate	Tadaaki Hamada	5

- E. Acquisition rights allotted to specified employees.

Category	Nidec's employees	Directors of Nidec's affiliates	Employees of Nidec's affiliates
Number of acquisition rights	2,350	163	179
Types of corresponding shares	common shares	common shares	common shares
Number of corresponding shares	235,000	16,300	17,900
Number of those allotted rights	1,048	31	51

7. Employees

(as of March 31, 2004)

	Number of employees	Increase (decrease) over the previous year	Average age	Average term of employment
Male	1,279	102	35.6	8.5
Female	215	18	28.0	5.7
Total	1,494	120	34.5	8.1

Notes: Besides the above number of employees, there were 84 temporary employees.

8. Business Affiliation

(1) Principal subsidiaries:

(as of March 31, 2004)

Company name	Capital stock	Voting ratio	Principal business
Sankyo Seiki Mfg. Co., Ltd.	¥35,270 million	51.84% * (2.61 %)	Manufacture and sale of machinery & tools for consumer electronics, housing equipment, IT peripherals industries and others
Nissin Kohki Co., Ltd.	¥1,057 million	76.69 % (57.26 %)	Manufacture & sale of machine tools and optical, precision machine, audio, electronic, medical machinery
Tokyo Pigeon Co., Ltd.	¥457 million	91.96 % (51.36 %)	Manufacture and sale of electric appliances and electronics.
Nidec Copal Corporation	¥11,080 million	See Notes 3 50.46 % * (0.79 %)	Manufacture and sales of optical equipment, electronics equipment, information equipment, etc.
Nidec Copal Philippines Corporation	PP333,034 thousand	83.69 % (51.00 %)	Manufacture of components for electronic, information and optical equipment, and precision motors
Nidec Copal (Vietnam) Co., Ltd.	US\$6,000 thousand	100.00% (51.0 0%)	Manufacture of small precision motors
Nidec Copal (Malaysia) Sdn. Bhd.	RM35,000 thousand	100.00 % *(100 .00%)	Manufacture and sales of components for electronic, information and optical equipment
Nidec Copal (Thailand) Co., Ltd.	TB320,000 thousand	100.00 % (100 .00%)	Manufacture and sales of small precision motors and shutters for cameras
Nidec Copal (Zhejiang) Co., Ltd.	US\$ 12,000 thousand	100.00 % (100 .00%)	Manufacture of camera parts, micromotor parts, and telecommunications related components; manufacture and repair of metal molds; unit fabrication and sales.
Nidec Tosok Corporation	¥3,287 million	57.62 % * (2.02 %)	Manufacture and sales of automobile components, automatic measuring equipment and electronic equipment
Nidec Tosok (Vietnam) Co., Ltd.	US\$34,947 thousand	100.00 % (61.59%)	Manufacture of automobile components, fans, and precision motor parts.
Nidec Copal Electronics Corporation	¥2,362 million	51.37 %	Manufacture and sales of electronic circuits components, pressure sensors, actuators, etc.
Nidec-Read Corporation	¥938 million	See Notes 4 58.04 % *(43.85 %)	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 Shibaura (Zhejiang) Co., Ltd.	US\$34,550 thousand	100.00 % *(92.90%)	Manufacture and sales of motors for air conditioners, washing machines and household electric appliances.
Nidec Shibaura Electronics (Thailand) Co., Ltd.	TB324,000 thousand	100.00% *(100.00 %)	Processing of motor parts and manufacture of motor parts for air conditioners and washing machines.
Nidec-Shimpo Corporation	¥2,592 million	100.00 %	Manufacture and sales of power transmission drives, factory automation equipment, arts and crafts equipment, measuring equipment, etc.
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 Hi-Tech Motor (Thailand) Co., Ltd.	TB400, 000 thousand	100.00 % (100.00 %)	Manufacture of small precision motors
Nidec Precision (Thailand) Co., Ltd.	TB450,000 thousand	100.00 % (100.00 %)	Manufacture of components for the products of Nidec and its group companies
Nidec (Dalian) Limited	US\$32,500 thousand	100.00 %	Manufacture of small precision motors and their components
Nidec Philippines Corporation	PP1,400,000 thousand	100.00 %	Manufacture and sales of small precision motors and their components

Company name	Capital stock	Voting ratio	Principal business
Nidec Power Motor Corporation	¥1,000 million	83.52 %	Manufacture and sales of small and mid-sized motors for various purposes.
Nidec (Zhejiang) Co., Ltd.	US\$12,000 thousand	100.00 %	Manufacture of small precision motors and their components
Nidec (Dongguan) Limited	US\$5,000 thousand	100.00 % (75.00 %)	Manufacture of small precision motors and their components
Nidec System Engineering (Zhejiang) Co., Ltd.	US\$5,000 thousand	100.00 % (70.00 %)	Manufacture and sales of factory automation equipment.

Notes: 1. Amounts of capital and investment less than one unit are omitted.

2. Figures in parentheses show including voting ratio of a Nidec subsidiary. * indicates the totaled voting ratio of more than one subsidiary.
3. In addition to the voting ratio of Nidec Copal Corporation's shares shown above, another 401,000 shares (0.6% voting ratio) have been placed, by Nidec-Shimpo Corporation, in trust with The Sumitomo Trust & Banking Co., Ltd. for employees' severance benefits.
4. In addition to the voting ratio of Nidec-Read Corporation's shares shown above, another 515,000 shares (7.3% voting ratio) have been placed in a trust with The Sumitomo Trust & Banking Co., Ltd. for employees' severance benefits.

(2) Progress of Affiliation

1. On September 30, 2003, Sankyo Seiki Mfg. Co., Ltd. conducted a capital increase through the third party allotment, for which Nidec subscribed the full amount of 57,800 thousand common shares and paid ¥12,400 million. And on January 29, 2004, through the third party allotment, Nidec subscribed for 25,000 thousand shares and paid ¥12,800 million. Additionally, Nidec purchased 9,712 thousand shares amounting to ¥7,800 million on the stock market. These resulted in Nidec's voting ratio of 51.8%.
2. On February 9, 2004, Nissin Kohki Co., Ltd. conducted a capital increase through the third party allotment, for which Nidec subscribed 108 thousand shares and paid ¥378 million. Meanwhile, on March 17, 2004, Nidec sold 25 thousand shares at ¥87 million. These resulted in Nidec's voting ratio of 76.6%.
3. On March 29, 2004, Tokyo Pigeon Co., Ltd. conducted a capital increase through the third party allotment, for which Nidec subscribed 2,900 thousand shares and paid ¥435 million. This resulted in Nidec's voting ratio of 91.9%.
4. On April 7, 2003, Nidec (Dongguan) Limited conducted a capital increase of the amount of U.S.\$ 300,002.5, on July 30, 2003, U.S.\$ 219,585.5 and on September 15, 2003, U.S.\$ 105,414.5, all the amounts of which Nidec paid up.
5. On February 2, 2004, Nidec Philippines Corporation purchased all the shares of Sankyo Seiki (Philippines) Mfg. Corp. from Sankyo Seiki Mfg. Co., Ltd. at PP 100,000 thousand and Sankyo Seiki (Philippines) Mfg. became its wholly-owned subsidiary. The subsidiary renamed to Nidec Philippines Subik Corporation and set its capital amount at PP 400,000 thousand. On February 26, 2004, Nidec Philippines Corporation paid the full amount. The business object of the company is manufacture and sale of spindle motors for HDD.
6. On January 20, 2004, Nidec Copal Corporation conducted a capital increase through the third party allotment, for which Nidec subscribed 2 million shares and paid ¥3,200 million. Nidec bought 3,837 thousand shares at ¥6,464 million on the stock market. These resulted in an increase in Nidec's voting ratio from 45.3% to 50.3%.
7. In this term, Nidec purchased 936 thousand Nidec Tosok Corporation shares at ¥1,261 million on the stock market. This resulted in an increase in Nidec's voting ratio from 55.1% to 57.5%.
8. On September 11, 2003, Nidec Copal Electronics Corporation conducted a capital increase through the third party allotment, for which Nidec subscribed 400 thousand shares and paid ¥388 million. Nidec purchased 1,427 thousand shares at ¥2,091 million on the stock market. This resulted in an increase in Nidec's voting ratio from 43.2% to 51.3%.
9. On October 1, 2003, Nidec-Shimpo Corporation exchanged its 9,710 thousand shares with Nidec shares and became Nidec's wholly-owned subsidiary.
10. In this term, Nidec purchased 3000 Nidec-Read Corporation shares at ¥3 million on the stock market. This resulted in

Nidec's voting ratio from of 58.0%.

11. On September 30, 2003, Nidec Power Motor Corporation conducted a capital increase through the third party allotment, for which Nidec subscribed 5 thousand shares and paid ¥500 million. This resulted in an increase in Nidec's voting ratio from 78.0% to 83.52%.
12. On September 29, 2003, Nidec subscribed for all the shares of Sankyo Ryutsu Kogyo Corporation's, 60 thousand shares and paid ¥1,826 million. This resulted in Nidec's voting ratio of 100.0%.
13. Under the date of March 24, 2004, Nidec sold 1,000 shares of Nidec Johnson Electric Ltd. and dissolved the affiliation.

(3) Aggregate Consolidated Results (Disclosure of Consolidated net sales and income)

Nidec has a total of 89 consolidated subsidiaries and 7 equity-method affiliates. Total consolidated net sales in fiscal 2003 amounted to ¥329,003 million, and increase of ¥30,362 million, or 10.2%, over the previous year. Total consolidated recurring income amounted to ¥23,676 million (32.9% increase), while consolidated net income totaled ¥11,448 million (76.51% increase).

9. Borrowings from Banks

Banks	Borrowings (in millions of yen)	Number of shares held by bank and its voting ratios	
		Number of shares (in thousand shares)	Voting ratios (%)
The Kyoto Bank, Limited	15,245	2,904	4.47
The Bank of Tokyo-Mitsubishi, Ltd.	10,605	1,507	2.32
The Shiga Bank, Limited	7,539	1,309	2.02
The Sumitomo Trust and Banking Company, Ltd.	3,800	871	1.34 *
UFJ Bank Limited	3,239		
Mizuho Corporate Bank, Ltd.	2,500	159	0.25
The Dai-ichi Mutual Life Insurance Company	1,700	2,544	3.92 *
Nippon Life Insurance Company	1,480	1,852	2.85
The Hachijuni Bank, Ltd.	1,000	27	0.04

* The voting ratio of The Sumitomo Trust and Banking Company, Ltd. Includes shares kept in its trust account.

10. Directors and Corporate Auditors

(Titles and responsibilities are all as of March 31, 2004.)

Title	Name	Major responsibility or occupation
Chairman, President & CEO	Shigenobu Nagamori	
Executive Vice President & COO	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing ; In charge of International Business Administration; 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 & CFO	Yasunobu Toriyama	Support to CEO; Controlling Corporate Administration; In charge of Investor Relations, Public Relations & Advertising, Accounting and System Processing.
Senior Managing Director	Kenji Sawamura	Controlling DCM & FAN Business; In charge of Shiga Technology Development, Tottori Technology Development, Purchasing and Quality Control, Molds Preparation and Nidec Talentop Ltd.; Chairman, Nidec (Dalian), Limited; Nidec (Dongguan) Limited; Chairman, Nidec (New Territories) Co., Ltd. ; Deputy Chairman, Nidec America Corporation; Deputy Chairman, Nidec Tosok(Vietnam) Co., Ltd.

Title	Name	Major responsibility or occupation
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; General Manager, Mineyama Precision Machining Center; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; Chairman; Chairman, Nidec Philippines Corporation
Managing Director	Kensuke Tanabe	In charge of Auditing, Compliance Office, Risk Management, Corporate Planning and Intellectual Property and Legal Affairs
Managing Director	Yoshiharu Kinugawa	In charge of Central Technical Laboratories and Nagano Technical Center
Senior Executive Director	Seizaburo Kawaguchi	President, Nidec Electronics (Thailand) Co., Ltd.;
Senior Executive Director	Toshihiro Kimura	General Manager, Central Technical Laboratories
Senior Executive Director	Norio Nomura	In charge of Secretary, General Affairs, and Personnel
Senior Executive Director	Seiichi Hattori	Controlling Domestic Business Operation; General Manager, Dept.; President, Nidec (H.K.) Co., Ltd.; Senior Executive Director and 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.
Senior Corporate Auditor	Hideo Asahina	
Senior Corporate Auditor	Yoichi Ichikawa	
Senior Corporate Auditor	Tadayosi Sano	
Corporate Auditor	Tsutomu Katsuyama	

Notes: 1. Hideo Asahina, and Tsutomu Katsuyama are outside corporate auditors as provided in Paragraph 1 of Article 18 of "The Law Concerning Exceptional Measures to the Commercial Code with Respect to Auditing, etc. of Joint Stock Corporations".

2. Changes in Directors and Corporate Auditors during Fiscal 2003:

(1) Taking Position:

At the 30th Annual General Meeting of Shareholders held on June 25, 2003, Satoru Kaji was elected as Senior Executive Director and took the position.

At the 30th Annual general Meeting of Shareholders held on June 25, 2003, Hideo Asahina, Tadayosi Sano, and Tsutomu Katsuyama were elected as Corporate Auditor and took the position.

(2) Retirement:

At the close of The 30th Annual General Meeting of Shareholders held on June 25, 2003, Yuzo Suzuki and Kouichi Yamamoto retired from the office of Senior Executive Director.

At the close of The 30th Annual General Meeting of Shareholders held on June 25, 2003, Teruo Mori, Shoji Tamura, and Mahito Kamei retired from the office of Corporate Auditor.

Under the date of March 31, 2004, Seiji Hashimoto retired from the office of managing Director.

(3) Changes in Positions and Responsibilities:

At the Board of Directors held on September 7, 2003, changes in duties of the following persons were resolved as of October 1, 2003.

Title	Name	Major responsibility or occupation
Executive Vice President & COO	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing ; In charge of International Business Administration; Chairman(CEO), Nidec Electronics GmbH ; Chairman, Nidec Taiwan Corporation; Chariman, Nidec (H.K.) Co., Ltd.; Chairman, Nidec Korea Corporation; Chairman, Nidec (Shanghai) International Trading Co., Ltd.
Executive Vice President & CFO	Yasunobu Toriyama	Support to CEO; Controlling Corporate Administration,;Investor Relations, Public Relations & Advertising, Accounting and System Processing.
Senior Managing Director	Kenji Sawamura	Controlling DCM, FAN Business, In charge of Shiga Technology Development, Tottori Technology Development, Purchasing and Quality Control and Molds Preparation; Chairman, Nidec (Dalian), Limited; Chairman, Nidec (Dongguan) Limited; Nidec (New Territories) Co., Ltd.; Deputy Chairman, Nidec Tosok(Vietnam) Co., Ltd.
Senior Managing Director	Yasuo Hamaguchi	Controlling SPM Operation; General Manager, Mineyama Precision Machining Center; Chairman, Nidec Electronics (Thailand) Co., Ltd.; Chairman, Nidec (Zhejiang) Corporation; Chairman; Chairman, Nidec Philippines Corporation

Title	Name	Major responsibility or occupation
Managing Director	Kensuke Tanabe	In charge of Auditing, Compliance Office, Risk Management, Corporate Planning; Intellectual Property and Legal Affairs
Managing Director	Seiji Hashimoto	Senior Executive officer, Sankyo Seiki Mfg. Co., Ltd.

At the Board of Directors meeting held on October 4, 2003, the following changes in Director responsibilities were made as of December 1, 2003:

Title	Name	Major responsibility or occupation
Senior Managing Director	Kenji Sawamura	Controlling DCM & FAN Business, In charge of Shiga Technology Development, Tottori Technology Development, Purchasing and Quality Control and Molds Preparation; Deputy Chairman, Nidec America Corporation; Chairman, Nidec (Dalian) President, Limited; Nidec (Dongguan) Limited; President, Nidec (New Territories) Co., Ltd.; Deputy Chairman, Nidec Tosok(Vietnam) Co., Ltd.

At the close of Directors meeting held on March 6, 2004, Seizaburo Kawaguchi was elected as Senior Managing Director as of April 1, 2004

And at the Board of Directors meeting held on March 6, 2004, the following changes in Director responsibilities were made as of April 1, 2004:

Title	Name	Major responsibility or occupation
Executive Vice President & COO	Hiroshi Kobe	Support to CEO; Controlling Sales and Marketing, In charge of Compliance Office, Risk Management, Corporate Planning, Intellectual Property and Legal Affairs, and International Business Administration; 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 & CFO	Yasunobu Toriyama	Support to CEO; Controlling Corporate Administration; In charge of Management Control & Audit, Investor Relations, Public Relations & Advertising, Legal affairs, Accounting, Financial and System Processing.
Managing Director	Seizaburo Kawaguchi	President Nidec Electronics (Thailand) Co., Ltd.;
Managing Director	Kensuke Tanabe	
Senior Executive Director	Toshihiro Kimura	Deputy Chairman and President, Nidec (Zhejiang) Corporation; Controlling Nidec Group Industrial Zone in Pinghu;

11. Subsequent Events

Nothing of significant note

Balance Sheet

March 31, 2004

Assets

(in million of yen)

Current Assets	56,203
Cash and deposits	10,391
Trade notes receivable	908
Trade accounts receivable	30,034
Finished goods	2,178
Raw materials	85
Work in process	183
Supplies	84
Deferred income tax	650
Short-term loans	4,168
Accounts receivable-other	7,473
Other current assets	237
Allowance for doubtful accounts	(195)
Fixed assets	160,938
Tangible fixed assets	27,796
Buildings	9,070
Structures	211
Machinery and equipment	1,205
Vehicles	15
Tools, furniture and fixtures	1,568
Land	15,667
Construction in progress	56
Intangible assets	267
Trademarks and goodwill	119
Patent	0
Software	93
Telephone subscription rights	24
Facility utility	28
Investments and other assets	132,874
Investment securities	8,410
Investments in subsidiaries	112,171
Investments other than capital stock	420
Investments in equity of subsidiaries, other than capital stock	8,832
Long-term loans	973
Bankruptcy and claims others	491
Long-term prepaid expenses	33
Deferred tax assets	1,444
Other investments	620
Allowance for doubtful accounts	(524)
Total assets	217,141

Notes: 1. All amounts less than ¥1million have been omitted.

2. Short-term receivables from subsidiaries	¥28,228 million
Short-term payables to subsidiaries	¥15,005 million
Long-term receivables from subsidiaries	¥1,469 million
Long-term payable to subsidiary	¥29 million
3. Accumulated depreciation of tangible fixed assets	¥11,573 million

March 31, 2004

(in million of yen)

Liabilities

Current liabilities	<u>73,324</u>
Trade notes payable	228
Trade accounts payable	20,430
Short-term borrowings	43,931
Repayable within one year Long-term borrowings	1,453
Other accounts payable	5,203
Costs payable	547
Accrued corporate taxes	370
Reserve for bonuses	983
Notes payable-plant and equipment	71
Other current liabilities	105
Long-term liabilities	<u>43,961</u>
Fixed Bonds	30,000
Convertible bonds	9,274
Long-term borrowings	2,368
Employee retirement and severance benefits	659
Reserve for retirement allowances for directors and corporate auditors	541
Payables from issuing Bonds	817
Other fixed liabilities	29
Total liabilities	<u>117,016</u>

Shareholders' Equity

Capital stock	28,994
Capital surplus	33,223
Capital reserve	33,223
Other capital surplus	-
Earned Surplus	37,172
Earned surplus reserve	720
Revenue reserves	32,550
Unappropriated retained earnings at end of period	3,901
Land revaluation surplus	(701)
Appreciated prices of stocks and others	1,559
Own shares	<u>(123)</u>
Total shareholders' equity	<u>100,125</u>
Total liabilities and shareholders' equity	<u>217,141</u>

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. Assets for collateral:

Investment securities ¥1,442 million

6. Guarantees

¥6,391 million

7. Total increased amount of assets priced at current value stipulated in Commercial Code,

Enforcement Rule Article 124, Provision 3. ¥1,559 million

8. 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

..... ¥991 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).

9. Amount of pension assets in retirement benefits trust offsetting provisions for employees' retirement benefits. ¥710 million

Statement of Income

from April 1, 2003 to March 31, 2004

	(in million of yen)
Recurring Profit & Loss	
Operating income and expenses	
Net sales	118,636
Cost of sales	(105,200)
Selling, general and administrative expenses	(11,953)
Operating profit	1,482
Non-operating income and expenses	
Non-operating income	
Interest	120
Dividend income	4,915
Other	598
Non-operating expenses	
Interest expenses	(278)
Exchange loss	(1,705)
Other	(347)
Recurring profit	4,785
Non-recurring Profit & Loss	
Non-recurring profit	
Profit on sale of tangible fixed assets	15
Profit on sale of investment securities	466
Gains from sales of subsidiaries' shares	2
Transferred from allowance for doubtful accounts	22
Gains out of exemption from agency business services charged by The Welfare Pension Fund	972
Other non-recurring profits	6
Non-recurring loss	
Loss on disposal of tangible fixed assets	(263)
Loss on valuation of investment securities	(6)
Loss on sale of investment securities	(570)
Loss on sales of subsidiaries' shares	(43)
Costs of Removal of Head Office and Laboratory	(292)
Income before income taxes	5,095
Provision for income taxes	
Current	(1,469)
Deferred	(930)
Net income	2,695
Unappropriated retained earnings brought forward from the previous period	2162
Interim dividend	(956)
Unappropriated retained earnings at end of period	3,901

Notes: 1. All amounts less than ¥1 million have been omitted.

2. Sales to subsidiaries	¥58,326 million
3. Purchases from subsidiaries	¥89,916 million
4. Sales commissions to subsidiaries	¥872 million
5. Turnover with subsidiaries other than sales and purchases	¥23,367 million
6. Net income per share for the period (from April 1, 2003 to March 31, 2004)	¥40.83

Proposed Appropriation of Profits

Unappropriated retained earnings at end of period	(in yen) ¥ 3,901,612,814
Allocation proposed as follows:	
Year-end dividend (¥15 per share)	975,053,070
Directors' bonuses	75,000,000
Corporate Auditors' bonuses	5,000,000
Revenue reserves	<u>600,000,000</u>
Unappropriated retained earnings carried forward to the next period	<u><u>¥2,246,559,744</u></u>

Notes: Interim dividend in the aggregate of ¥956,088,840(¥15.00 per share including ¥2.50 of a commemorative dividend for the 30th anniversary) was distributed on December 10, 2003.

Copy of Report of Accounting Auditors

Audit Report of Independent Auditors

May 7, 2004

To: Board of Directors
Nidec Corporation

ChuoAoyama Audit Corporation
Yukihiro Matsunaga, C.P.A. (Seal)
Representative and Engagement Partner

Yasushi Kouzu, C.P.A. (Seal)
Engagement Partner

Yuji Mitani, C.P.A. (Seal)
Engagement Partner

We have examined fiscal statements, namely, the balance sheet, the statement of income, the business report (limited to the part concerning accounting), the proposed allocation of profits as well as the supplemental schedules (limited to the part concerning accounting) thereof of Nidec Corporation (the Company) for the 31st fiscal period from April 1, 2003 to March 31, 2004 in accordance with the provisions of Paragraph 1 of Article 2 of "The Law concerning Exceptional Measures to the Commercial Code with Respect to Auditing, etc. of Joint Stock Corporations." The parts concerning accounting, which we have examined, of the business report and supplemental schedules are such matters provided therein as were prepared from the records of accounting books. The management of Nidec Corporation is responsible for preparing these fiscal statements and supplements and we are responsible for expressing opinions regarding the fiscal statements and the supplements from an independent point of view.

We have followed the auditing standards generally recognized as fair and appropriate in this country and applied such auditing procedures as are normally required. The auditing standards demand a reasonable guarantee that the fiscal statements and supplements have no serious false statement. The audit is performed on the basis of inspections and includes examinations of what is stated as a whole in the fiscal statements and supplements including assessment of the accounting policies and the application methods thereof adopted by the management together with the estimate of business the management makes. We came to judge that we have obtained reasonable grounds for expressing opinions as the result of audit. Moreover, the auditing procedures that we have followed include procedures that we deemed necessary for auditing subsidiaries.

We hereby render our opinion as follows:

- (1) The balance sheet and the statement of income fairly present the position of assets and profit and loss of the Company pursuant to laws and ordinances and the Articles of Incorporation.
- (2) The contents of the business report (limited to the part concerning accounting) fairly present the position of the Company pursuant to the laws and ordinances and the Articles of Incorporation.
- (3) The proposed allocation of profit is in conformity with the laws and ordinances and the Articles of Incorporation.
- (4) The supplemental schedules (limited to the part concerning accounting) contain nothing to be commented on pursuant to the Commercial Code.

Neither this firm nor any of its partners has any relationship with the Company which should be disclosed pursuant to the Certified Public Accountants Law.

Copy of Report of Corporate Auditors

Audit Report

The Board of Corporate Auditors, having received a report from each Corporate Auditor on the method and results of his audit on the performance of duties of Directors during the 31th fiscal period from April 1, 2003 to March 31, 2004 and, as a result of discussion, does hereby report the results of audit as follows:

1. Method of Audit

Each Corporate Auditor, following the audit policy and distribution of audit responsibility among the Corporate Auditors set by the Board of Corporate Auditors, has attended the meetings of the Board of Directors and other important meetings of the Company, received reports on the operations of the Company from Directors, perused important documents including those subject to executive approval, conducted examination of conditions of business and assets at the head office and other major business offices, regularly requested reports on the operations of the subsidiaries, and conducted examination of conditions of business and assets of major subsidiaries.

Each Corporate Auditor has also received from accounting auditors reports concerning accounting audit and their opinions and conducted examinations of accounting documents and supplemented schedules thereof.

With respect to the Directors' engaging in competing transactions, transactions involving conflict of interest between the Company and a Director, providing by the Company of a benefit without compensation, unusual transactions between the Company and its subsidiary or shareholder and acquisition and disposition by the Company of its own shares, each Corporate Auditor has, in addition to the audit procedures described above, requested reports from directors and other parties and conducted investigation and examination as deemed necessary.

2. Results of Audit

The Board of Corporate Auditors hereby render our opinion as follows:

- (1) The method of audit employed by ChuoAoyama Audit Corporation and the result thereof are proper and fair.
- (2) The contents of the business report present fairly the position of the Company pursuant to the laws and regulations and the Articles of Incorporation.
- (3) The proposed allocation of profits contains nothing particular to be commented on in the light of the condition of assets of the Company and other circumstances.
- (4) The supplemental schedules present fairly the matters to be described therein and contain nothing to be commented on.
- (5) With respect to the Directors' execution of their duties, no unfair conduct, nor any material breach of the laws and regulations or the Articles of Incorporation has been found.

Moreover, with regard to the Directors' engaging in competing transactions, transactions involving conflict of interest between the Company and a Director, providing by the Company of a benefit without compensation, unusual transactions between the Company and its subsidiary or shareholder and acquisition and disposition by the Company of its own shares, no violation of duties by any Directors has been found.

- (6) As a result of the investigation of subsidiaries, with regard to the Directors' execution of their duties related to subsidiaries, nothing has been found that would necessitate comment.

May 8, 2004

Board of Corporate Auditors

Hideo Asahina (Seal)
Senior Corporate Auditor

Tadayosi Sano (Seal)
Corporate Auditor

Yoichi Ichikawa (Seal)
Senior Corporate Auditor

Tsutomu Katsuyama (Seal)
Corporate Auditor

Note: Hideo Asahina and Tsutomu Katsuyama are outside corporate auditors as provided in Paragraph 1 of Article 18 of "The Law concerning Exceptional Measures to the Commercial Code with Respect to Auditing, etc. of Joint Stock Corporations."

[Reference Material for Exercise of Voting]

- Number of voting rights owned by shareholders who are entitled to vote 649,057 units

2. The proposals and reference materials

Proposal No. 1: To approve the proposed appropriation of profit with respect to the 31st fiscal period:

It is proposed that the appropriation of profits shall be made as shown in detail on Page 18.

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 15 yen per share. With the interim dividend of 15 yen (including commemorative dividend of 2.5 yen) per share, the aggregate annual dividends will total 30 yen (including commemorative dividend of 2.5 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

- Since the “Law for revising part of the Special Exceptions to the Commercial Code concerning Audit, etc., of Kabushiki-kaisha” (2003 Law No.132) came into force under the date of September 25, 2003, to allow of the purchase of its own shares, pursuant to a resolution of the Board of Directors, if authorized by the Articles of Incorporation, it is proposed, in order to carry out mobile capital policies to cope with the ever- changing business environment, for new provisions of Article 6 (Purchase of Own Shares) need to be enacted newly.
- The above alteration necessitates moving down the article numbers.

2. Contents of Amendments

Parts of the original Articles of Incorporation are to be changed as follows:

(altered sections are indicated by underling)

Current Article	Proposed Amendments
(Newly introduced as shown on the rights) Article <u>6</u> ~ Article <u>32</u> (the provisions are omitted)	<u>(Purchase of Own Shares)</u> <u>Article 6. Conforming to the provisions of the Commercial Code Article 211, 3. Provision 1, No.2, the Company is allowed to purchase its own shares pursuant to a resolution of Board of Directors.</u> Article <u>7</u> ~ Article <u>33</u> (as Original)

Proposal No. 3: To elect fourteen directors

At the close of this Annual General Meeting of Shareholders, all (13) directors' terms of office expire. And the Corporation asks for approval to elect fourteen directors.

The particulars of the candidates 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	<p>July 1973 Founded the Corporation Chairman, President & CEO of the Corporation (Present position)</p> <p>Positions held in Nidec's subsidiaries Chairman & CEO, Nidec America Corporation Chairman & CEO, Sankyo Seiki Mfg. Co., Ltd. Chairman, Sankyo Shoji Co., Ltd. Chairman, Sankyo Total Service Co., Ltd. Chairman, Nidec Copal Electronics Corporation Chairman, Nidec Sibaura Corporation Chairman, Nidec-Shimpo Corporation Chairman & CEO, Nidec-Shimpo America Corporation Chairman, Nidec Logistics Corporation Chairman, Nidec-Kyori 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 Chairman, Nidec Shibaura (Zhejiang) Co., Ltd</p>	5,971,482 shares
(2) Hiroshi Kobe Mar. 28, 1949	<p>Jul. 1973 Joined the Corporation Nov. 1984 Senior Executive Director of the Corporation Nov. 1991 Managing Director of the Corporation, controlling Sales and Marketing Apr. 1992 In charge of System Processing Apr. 1994 General Manager, Sales and Marketing Oct. 1994 General Manager, Domestic Business 2 Apr. 1996 Senior Managing Director of the Corporation, controlling overall business operations Apr. 2000 Executive Vice-President and COO of the Corporation (Present position), support to the President, controlling Sales and Marketing (Present position) Apr. 2002 Controlling SPM Business Oct. 2003 In charge of International Business Administration (Present position) Apr. 2004 In charge of Compliance Office, Risk Management, Corporate Planning and Intellectual Property (Present position)</p> <p>Positions held in Nidec's subsidiaries Chairman, Nidec Electronics GmbH (CEO) Chairman, Nidec Taiwan Corporation Chairman, Nidec (H.K.) Co., Ltd. Chairman, Nidec Korea Corporation Chairman, Nidec (Shanghai) International Trading Co., Ltd.</p>	117,883 shares
(3) Yasunobu Toriyama Sep. 18, 1938	<p>Mar. 1984 Director, Engineering, Kouyou Seiko Co., Ltd. Apr. 1991 Joined the Corporation, Executive Director May. 1991 Director, Accounting Jun. 1991 Senior Executive Director of the Corporation Apr. 1994 Deputy General Manager, Corporate Administration Apr. 1996 Managing Director of the Corporation, General Manager, Corporate Administration June 1997 Senior Managing Director of the Corporation</p>	7,650 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
	<p>Oct. 1998 In charge of Secretarial Office, Corporate Auditing, Public Relations, Corporate Planning, Management of Affiliated Companies and Intellectual Property & Legal Affairs</p> <p>Apr. 2000 Controlling Corporate Administration (Present position)</p> <p>Apr. 2002 Executive Vice-President and CFO(Present position), support to the President (Present position), Accounting and System Processing.</p> <p>Oct. 2002 In charge of Accounting, Auditing, System Processing, and International Business Administration</p> <p>May. 2003 In charges of Corporate Auditing, Investor Relations, Accounting and System Processing</p> <p>Oct. 2003 In charge of Investor Relations, Public Relations & Advertising, Accounting and System Processing (Present position)</p> <p>Apr. 2004 In charges of Internal Audit and Management Advisory, Legal Affairs and Financial Affairs (Present position)</p>	
(4) Kenji Sawamura Feb. 15, 1942	<p>Nov. 1989 Director, Corporate Planning, Nissan Motor Co., Ltd.</p> <p>Jan. 1991 General Manager, Oppama Plant</p> <p>June 1993 Senior Executive Director, Nissan Motor Co., Ltd.</p> <p>June 1997 Managing Director, Nissan Motor Co., Ltd.</p> <p>Oct. 1998 Joined the Corporation, Executive Director</p> <p>Jul. 1999 Deputy President, Nidec (Dalian) Limited, Senior Executive Director and President, Nidec Precision (Dalian) Limited</p> <p>June. 2000 Senior Executive Director of the Corporation</p> <p>June 2001 Deputy Chairman and President, Nidec (Dalian) Limited</p> <p>Oct. 2001 Controlling DCM</p> <p>Apr. 2002 Senior Managing Director of the Corporation (Present position)</p> <p>Controlling LDCM Business</p> <p>In charge of Corporate Quality Control and Purchasing</p> <p>Jul. 2002 Director, Shiga Technical Center Business Support 2</p> <p>Apr. 2003 Controlling DCM Business (Present position)</p> <p>May 2003 In charge of Corporate Quality Control and Purchasing (Present position)</p> <p>General Manager, Shiga Technical Center</p> <p>Oct. 2003 Controlling Fan Business, in charge of Shiga Technical Center, Tottori Technical Center and Molds Preparation (Present position)</p> <p>Positions held in Nidec's subsidiaries</p> <p>Chairman, Nidec (Dalian) Limited</p> <p>Chairman, Nidec (Dongguan) Limited</p> <p>Chairman, Nidec (New Territories) Co., Ltd</p>	2,000 shares
(5) Yasuo Hamaguchi Sept. 27, 1949	<p>Apr. 1974 Joined the Corporation</p> <p>Oct. 1985 Executive Director of the Corporation</p> <p>Oct. 1992 President, Nidec Electronics (Thailand) Co., Ltd.</p> <p>June 1993 Senior Executive Director of the Corporation</p> <p>June 1998 Managing Director of the Corporation</p> <p>Deputy General Manager, Overseas Operations</p> <p>June 1999 General Manager, Overseas Operations</p> <p>Apr. 2000 Controlling SPM Business</p> <p>Apr. 2002 Senior Managing Director of the Corporation (Present position)</p> <p>Controlling SPM production</p>	130,974 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
	<p>Apr. 2003 Controlling SPM Business, (Present position) In charge of International Business Administration</p> <p>May 2003 General Manager, Mineyama Precision Machining Center (Present position)</p> <p>Positions held in Nidec's subsidiaries Chairman, Nidec Electronics (Thailand) Co., Ltd. Chairman, Nidec (Zhejiang) Corporation Chairman, Nidec Philippines Corporation</p>	
(6) Yoshiharu Kinugawa Mar. 5, 1947	<p>May 1975 Joined the Corporation</p> <p>Jul. 1985 Executive Director of the Corporation</p> <p>June 1990 Senior Executive Director of the Corporation, in charge of SPM Business</p> <p>Apr. 1993 In charge of SPM Business and ADF Business</p> <p>June 1993 Managing Director of the Corporation (Present position)</p> <p>Apr. 1994 General Manager, Domestic Business 1</p> <p>Jan. 1995 General Manager, Domestic Business and Controlling SPM Business</p> <p>Apr. 1997 In charge of Corporate Purchasing</p> <p>Apr. 2000 In charge of Domestic SPM Business and Promoting FDB Business, Deputy Chairman, Nidec Electronics Corporation</p> <p>June 2000 In charge of Corporate Research and Development and Controlling LDCM Business</p> <p>Oct. 2000 General Manager, Central Laboratory</p> <p>Apr. 2002 Controlling SPM Research and Development, in charge of Central laboratory, Processing Technology, and Mineyama Plant</p> <p>Jul. 2002 General Manager, Mineyama Plant</p> <p>Apr. 2003 In charge of Nagano Technical Center. (Present position)</p> <p>May. 2003 In charge of Central Technical Laboratory (Present position)</p>	60,473 shares
(7) Seizaburo Kawaguchi Oct. 27, 1953	<p>Sep. 1983 Joined the Corporation</p> <p>Oct. 1985 General Manager, Singapore Representative Office</p> <p>Mar. 1989 President, Nidec Singapore Pte, Ltd.</p> <p>Apr. 1997 Executive Director of the Corporation</p> <p>June 2000 Senior Executive Director of the Corporation</p> <p>Apr. 2004 Managing Director of the Corporation (Present position)</p> <p>Positions held in Nidec's subsidiaries President, Nidec Electronics(Thailand) Co., Ltd.</p>	10,597 shares
(8) Toshihiro Kimura Jul. 2, 1953	<p>Apr. 1978 Joined the Corporation</p> <p>Oct. 1992 Executive Director of the Corporation, General Manager, Shiga Office and Director, SPM Manufacturing</p> <p>Oct. 1994 General Manager, Technical Center and Director, Business Support 1</p> <p>Jul. 1995 Senior Executive Director and President, Nidec (Dailen) Limited</p> <p>June 1997 Senior Executive Director of the Corporation (Present position)</p> <p>Oct. 1997 Senior Executive Director and President, Nidec Precision (Dalian) Limited</p> <p>Apr. 2000 General Manager, Shiga Technical Center, Director, Business Support 1, and Controlling DCM Business</p> <p>May. 2003 General Manager, Central Technical Laboratory</p> <p>Apr. 2004 Controlling Nidec Group Industrial Zone in Pinghu (Present position)</p> <p>Positions held in Nidec's subsidiaries Deputy Chairman and President, Nidec (Zhejiang) Corporation Chairman, Nidec Total Service (Zhejiang) Corporation</p>	9,000 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares
(9) Seiichi Hattori Dec. 30, 1953	Apr. 1977 Joined the Corporation Oct. 1990 General Manager, Tokyo Branch Oct. 1996 Director, Sales and Marketing (Present position) Apr. 1998 Executive Director of the Corporation June 1999 Senior Executive Director of the Corporation (Present position) Apr. 2002 Controlling Domestic Sales and Marketing (Present position) Positions held in Nidec's subsidiaries President, Nidec (HK) Co., LTD. Senior Executive Director and President, Nidec (Shanghai) International Trading Co., Ltd.	10,143 shares
(10) Tetsuo Inoue June 22, 1948	Oct. 1992 General Manager, Senbayashi Branch, The Sumitomo Bank Limited Oct. 1994 General Manager, Wakayama Branch Jan. 1997 General Manger, Corporation Business (Osaka) Department Dec. 1999 Joined the Corporation as Executive Director; Director, Management of Affiliated Companies (Present position). June 2002 Senior Executive Director of the Corporation (Present position) In charge of Management of Affiliated Companies. (Present position)	1,400 shares
(11) Satoru Kaji Oct. 4, 1947	Jan. 1988 Joined the Corporation Jan. 1994 Deputy President, Nidec America Corporation. Apr. 2001 Executive Director of the Corporation July 2001 General Manager, No.1 International Sales and Marketing Apr. 2002 Controlling International Sales and Marketing General Manager, International Sales Administration June 2003 Senior Executive Director of the Corporation (Present position) Positions held in Nidec's subsidiaries President, Nidec Singapore Pte. Ltd.	3,063 shares
(12) Tadaaki Hamada * Aug. 14, 1948	Jan. 1996 General Manager, Tsukishima Branch, The Mitsubishi Bank Limited Oct. 1997 General Manager, Oshiage Branch, The Bank of Tokyo-Mitsubishi, Ltd. Oct. 1999 Headquarters Deliberations, Personnel Department, Feb. 2000 Joined the Corporation as Executive Director (Present position) Mar. 2000 Director, Corporate Planning Aug. 2001 Deputy President, Nidec America Corporation Apr. 2002 Executive Vice-President, Nidec America Corporation Apr. 2003 Director, International Business Administration (Present position)	
(13) 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 Dec. 2003 Joined the Corporation as Executive Director (Present position) Apr. 2004 Director, Internal Audit and Management Advisory	26 shares

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares	
(14) Kiyoyoshi Takegami * Dec. 28, 1954	Apr. 1978	Joined the Corporation	24,594 shares
	Apr. 1991	General Manager, Development Dept. , Shiga Office	
	Nov. 1991	General Manager, SPM Development Dept. , Shiga Office	
	Apr. 1994	Deputy President, Nidec Electronics (Thailand) Co., Ltd.	
	July 1999	Director Corporate Officer Deputy President, Nidec Electronics (Thailand) Co., Ltd.	
	Apr. 2000	Executive Director of the Corporation (Present position)	
Apr. 2003	General Manager, Nagano Technical Center (Present position)		

Notes: 1. No conflicting interest exists between the Corporation and any of the above candidates.

2. * denotes officers-to-be is a new appointment candidate.

Proposal No. 4: To elect one corporate auditor

At the close of this Annual General Meeting of Shareholders, Yoichi Ichikawa will retire from a corporate auditor on the expiration of term of office and the Corporation ask for approval to elect one corporate auditor to fill the vacancies.

The particulars of the auditor are as follows.

This proposal was approved by board of corporate auditors in advance.

Name and date of birth	Positions held in Nidec and subsidiaries	Ownership of the Corporation's shares	
Yoichi Ichikawa Apr. 4 1935	Apr. 1978	Joined the Corporation as Executive Director; Director, Sales and Marketing	101,849 shares
	May 1979	Senior Executive Director of the Corporation	
	June 1991	Managing Director of the Corporation	
	Apr. 1992	Director, International Sales and Marketing	
	Apr. 1994	Senior Executive Director of the Corporation, Deputy General Manager, Sales and Marketing	
	Jan. 1995	Director, International Sales Administration	
	July. 1995	Chairman, Nidec Electronics (Thailand) Co., Ltd.	
	July. 1998	Corporate Auditor (full-time) of the Corporation (Present position)	

Notes: 1. No conflicting interest exists between the Corporation and the above candidate-to-be.

2. The above auditor-to-be, Yoichi Ichikawa is the outside auditor-to-be, provided in Commercial Code, Special Provision Article 18, Clause 1.

Proposal No. 5: To grant a retirement allowance to retiring directors for their meritorious service

It is proposed that a retirement allowance is granted to three retiring directors, Seiji Hashimoto who retired as a director on March 31, 2004, Kensuke Tanabe and Norio Nomura who will retire as directors at the conclusion of this shareholders' meeting, for their meritorious service within a specified range according to the Corporation's standards. As a standard for setting allowances, the basic remuneration for them will be calculated based on the amount of time in office and their responsibilities, and any necessary adjustments will be made according to their meritorious service etc.

The decision as to the exact amounts to be granted and the time and the method of payment is proposed to be entrusted to Board of Directors.

The following outlines a brief history of the retiring directors:

Name	Positions held in Nidec and subsidiaries		
Kensuke Tanabe	Feb. 2002	Joined the Corporation as Executive Advisor	June. 2002
		Managing Director of the Corporation(Present position)	
	May. 2003	In charge of Corporate Planning and Intellectual Property & Legal Affairs	
	Oct. 2003	In charge of Compliance Office, Risk Management, Corporate Planning, Public Relations & Advertising and Intellectual Property & Legal Affairs	
Seiji Hashimoto	Nov. 1978	Joined the Corporation	
	Apr. 1986	Executive Director of the Corporation	
	Sep. 1989	Senior Executive Director, Nidec Electronics Corporation	
	Apr. 1991	President, Nidec Electronics Corporation	
	Jul. 1995	Controlling Fan Business	
	June 1996	Senior Executive Director of the Corporation	
	Apr. 2000	Managing Director of the Corporation	
	Apr. 2002	General Manager, Tottori Technical Center, Director, Business Operation and Business Support, in charge of Molds Preparation	
	Apr. 2003	In charge of Tottori Technical Center	
	Oct. 2003	Senior Managing Corporate Officer, Sankyo Seiki Mfg. Co., Ltd.	
	Mar. 2004	Senior Managing Director, Sankyo Seiki Mfg. Co., Ltd. (Present position)	
		Retired from Managing Directors of the Corporation	
		Executive Advisor of the Corporation (Present position)	
Norio Nomura	June. 1982	Joined the Corporation	
	Apr. 1988	Director, Personnel Dept.	
	Apr. 1997	Executive Director of the Corporation	
	June 1998	Senior Executive Director of the Corporation (Present position)	
	Apr. 2000	In charge of Personnel (Present position)	
		Director, General Affairs	
	Aug. 2000	In charge of General Affairs (Present position)	
	Oct. 2002	In charge of Secretarial Office (Present position)	

Procedures for voting by computer

When you vote on the Internet website, please note the following.

1. Voting on the Internet, is possible only by using the special "website for executing voting right " . You can not use the voting website from a mobile telephone.
(When you vote on the Internet, you will need the voting number and the password indicated on the voting instruction card or the e-mail invitation to the Meeting of Shareholders).
2. You can vote on the Internet prior to 12 p.m. June 22, 2004; however, to facilitate vote counting, voting ahead of time is recommended.
3. If you vote both on paper and on the website, the vote on the website will be treated as valid.
4. If you vote more than once on the website, the last vote will be treated as valid.
5. When you use the voting website, the dial-up connection fees to the provider and any telecommunication fees (including telephone charges) are at your expense.

Conditions for voting by computer

To use the voting website, you will need the following.

1. The ability to access an Internet website.
2. Microsoft® Internet Explorer (Ver. 5.5 or higher) or Netscape (Ver. 6.2 or higher).
3. The hardware necessary to use the above software.

Internet Explorer is a registered trade name of Microsoft Corporation, U.S., granted in the United States and other countries, and Netscape is a registered trade name of Netscape Communications Corporation in U.S. and other countries.