

# The 44th Regular General Meeting of Shareholders for the Fiscal Year 2016 Ended March 31, 2017



Time & Date

10:00 a.m. on Friday, June 16, 2017 (Japan time)  
The reception will start at 09:30 a.m.



Venue

Shunju-no-Ma (Hall of Spring and Autumn), Second Floor,  
RIHGA Royal Hotel Kyoto  
1 Taimatsu-cho, Shiokoji-sagaru, Higashi horikawa-dori, Shimogyo-ku,  
Kyoto, 600-8237, Japan

**Please note that the venue has changed this year.**



Proposals

1. Election of nine candidates to the Board of Directors
2. Election of one candidate to the Audit & Supervisory Board

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### Deadline for exercising voting rights by mail or the Internet, etc.

5:30 p.m. on Thursday, June 15, 2017 (Japan time)

\*See pages 2 and 3 for more detail.

Tokyo Stock Exchange code: 6594

**NIDEC CORPORATION**



Website for Nidec's IR info  
<http://www.nidec.com/en-Global/ir/>

## To Our Shareholders



Shigenobu Nagamori  
Chairman of the Board,  
President & CEO

Thank you for your continued support and for confidence that you have placed in us. Please be cordially invited to the Regular General Meeting of Shareholders of Nidec Corporation for the Fiscal Year Ended March 31, 2017.

Since its foundation in 1973, under the mission to manufacture “everything that spins and moves,” Nidec has been consistently seeking to create drive technologies that meet the society’s needs. Now, as the world’s leading manufacturer of comprehensive motor and motor drive systems with approximately 300 group companies operating in various countries in the world, the Group posted a record high in consolidated net sales of 1,199.3 billion yen and consolidated operating profit of 140.3 billion yen for the fiscal year ended March 31, 2017.

I firmly believe that the reasons that the Group has been able to grow rapidly in such a short period of time is not only that we hold lofty goals such as those in our mission statement, but also that our management and employees have worked united and overcome various challenges with the support of our shareholders, convinced to become No. 1 and the world’s leading company as stated in the basic management principles.

We will never stop moving forward. Our ultimate goal is to become a global entity truly desired by people and society. Our mid-term growth initiative “Vision 2020,” which seeks to attain net sales of two trillion yen and consolidated operating profit ratio of 15% in the fiscal year 2020, will serve as a solid stepping-stone toward achieving this end.

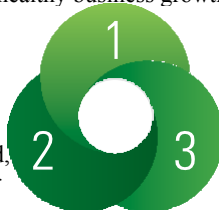
Your continuous support will truly be appreciated.  
Sincerely,

### Mission Statement

Nidec Corporation’s mission is to contribute to the development of society and well-being of people by providing excellent products and services through a sincere and enthusiastic dedication to the fusion of science, technology and manufacturing expertise.

### Basic Management Principles

Provide employment opportunities based on healthy business growth.



Supply universally desired, indispensable products for the common good.

Pursue the No. 1 position in all that we undertake.

### Corporate Mottos

Passion, Enthusiasm  
and Tenacity  
Intelligent Hard Working  
Do it now, Do it without  
fail, Do it until it’s  
completed.

These documents have been translated from Japanese originals for reference purposes only.  
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Tokyo Stock Exchange code: 6594  
May 31, 2017

**To: All Shareholders with Voting Rights**

Shigenobu Nagamori  
Chairman of the Board, President &  
CEO  
NIDEC CORPORATION  
338 Kuzetonoshiro-cho, Minami-ku,  
Kyoto, 601-8205, Japan

## **The 44th Regular General Meeting of Shareholders for the Fiscal Year 2016 Ended March 31, 2017**

Notice is hereby given that the 44th Regular General Meeting of Shareholders (the “Meeting”) of Nidec Corporation (“Nidec” or the “Company,” together with its subsidiaries, the “Group”) will be held in accordance with the following details.

If you are unable to attend the Meeting, you can exercise your voting rights in writing, via the Internet, or by alternative means. Please refer to the Reference Document for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Thursday, June 15, 2017, Japan time, following the instructions described hereinafter.

<b>Time &amp; Date</b>	10:00 a.m. on Friday, June 16, 2017 (Japan time) (The reception will start at 09:30 a.m.)								
<b>Venue</b>	Shunju-no- Ma (Hall of Spring and Autumn), Second Floor, RIHGA Royal Hotel Kyoto 1 Taimatsu-cho, Shiokoji-sagaru, Higashi horikawa-dori, Shimogyo-ku, Kyoto, 600-8237, Japan * Please note that the venue has changed this year.								
<b>Agenda</b>	<table><tr><td>Reports</td><td>1 Business report, consolidated financial statements, and audit reports regarding the consolidated financial statements by the Accounting Auditor and the Audit &amp; Supervisory Board for the fiscal year 2016 ended March 31, 2017</td></tr><tr><td></td><td>2 Non-consolidated financial statements for the fiscal year 2016 ended March 31, 2017</td></tr><tr><td>Proposals</td><td>1 Election of nine candidates to the Board of Directors</td></tr><tr><td></td><td>2 Election of one candidate to the Audit &amp; Supervisory Board</td></tr></table>	Reports	1 Business report, consolidated financial statements, and audit reports regarding the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board for the fiscal year 2016 ended March 31, 2017		2 Non-consolidated financial statements for the fiscal year 2016 ended March 31, 2017	Proposals	1 Election of nine candidates to the Board of Directors		2 Election of one candidate to the Audit & Supervisory Board
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	2 Election of one candidate to the Audit & Supervisory Board								

## Exercising voting rights

### \* Voting at the Meeting of Shareholders



Please bring this convocation notice and the enclosed Voting Instruction Card, and submit the form to the reception (there is no need to affix a seal on the form).

\* Those who are not entitled to vote, including proxies of shareholders or people accompanying them, may not enter the hall (with the exception of people accompanying physically handicapped shareholders).

**Time & Date:** 10:00 a.m. on Friday, June 16, 2017 (Japan time)  
(The reception will start at 09:30 a.m.)

### \* Voting via mail



Please indicate your approval or disapproval for each item listed on the enclosed Voting Instruction Card and return it to us.

**Deadline:** 05:30 p.m. on Thursday, June 15, 2017 (Japan time)

### \* Voting via the Internet and others



Please see the notes for online voting on page 3, access our designated voting site, <http://www.web54.net>, and enter your approval or disapproval for each item. If you are a nominee shareholder of a management trust bank or other financial institutions, please see the information on the platform to exercise your voting right electronically at the bottom section of page 3.

**Deadline:** 05:30 p.m. on Thursday, June 15, 2017 (Japan time)

**If you wish to vote online, please note the following information in advance.**

- If voting is conducted both in writing and online, the online vote will be regarded as effective.
- If voting is conducted the same way in duplicate, the most recent vote will be regarded as effective.
- If neither approval nor disapproval is indicated, it will be regarded as approval.

#### Notes:

- 1 Any changes to the Reference Document for the General Meeting of Shareholders, business report, consolidated financial statements and non-consolidated financial statements made up to the day preceding the Meeting will be announced on our website.
- 2 Of the documents to be provided to our shareholders with this notice, “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are deemed to have been provided to our shareholders by posting on the Company’s website in accordance with applicable laws and regulations and Article 15 of the Company’s Articles of Incorporation. These notes are parts of the consolidated and non-consolidated financial statements audited by Members of the Audit & Supervisory Board and the Accounting Auditor for preparing audit reports.

Nidec’s website: <http://www.nidec.com/en-Global/>



## If you wish to vote online, please note the following information in advance

If you wish to vote online, please note the following information in advance

### 1. Voting website

Exercising voting rights online is possible only through the following voting website assigned by the Company. The site can also be accessed by mobile phones.

URL for voting website: <http://www.web54.net>



With a barcode-reading mobile phone, access to the website is possible by reading the QR code® on the left. Please see the instructions for your mobile phone for details on bar code reading.

(QR code is a registered trademark of Denso Wave Inc.)

#### (1) Exercising voting rights

- (i) If you wish to exercise your voting rights online, please use the voting code and password detailed on the Voting Instruction Card enclosed and follow the onscreen instructions to enter your approval or disapproval for the proposals.
- (ii) You can exercise your voting rights on the Internet until 05:30 p.m. on Thursday, June 15, 2017. However, in light of the need to tally all voting results, we respectfully ask that you conduct your voting early enough.
- (iii) If voting is conducted both in writing and online, the online vote will be regarded as effective.
- (iv) If voting is conducted multiple times, or if voting is conducted both by PC and by mobile phone, the most recent vote will be regarded as effective.

#### (2) Cost for accessing the voting website

The payment for the telephone and other fees to connect to your Internet provider and to communicate with the communications company to use the Company's website to exercise voting rights will be the responsibility of the shareholder.

System environment required to exercise voting rights by the Internet

The following system environments are required for the use of the Company's voting website:

- (i) Access to the Internet.
- (ii) For voting with a PC, use of Microsoft® Internet Explorer 5.01 SP2 or a higher version as the Internet browser software. The hardware must be able to use the aforementioned Internet browser.
- (iii) For voting with a mobile phone, the ability of the phone to perform 128bit SSL communication (encrypted communication). (To ensure security, voting rights can only be exercised via mobile phones that can perform 128bit SSL communication (encrypted communication), therefore some mobile phone types may not be usable for the voting.)  
(Microsoft is a trademark of Microsoft Corporation, registered in the United States and other countries.)

For inquiries on exercising voting rights on the Internet

Please address any inquiries concerning exercising voting rights on the Internet to any of the following numbers:

List of shareholders  
administered by Stock Transfer  
Agency Department,  
the Sumitomo Mitsui Trust Bank, Ltd.

Dedicated line



0120-652-031 (09:00 a.m. – 09:00p.m., JST)

<Other inquiries>



0120-782-031 (09:00 a.m. – 05:00 p.m. on weekdays, JST)

### 2. The platform to exercise voting rights electronically

In addition to the aforementioned online method to exercise voting rights electronically for the Company's General Meeting of Shareholders, nominee shareholders such as management trust banks (including their standing proxies) can, upon prior application, use the platform for exercising voting rights operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and other companies.

Proposal 1

**Election of nine candidates to the Board of Directors**

As the terms of all of the current seven members of the Board of Directors will expire at the end of this General Meeting of Shareholders, shareholders are requested to elect nine candidates as the members of the Company’s Board of Directors, an increase of two members in order to enhance the Company’s management system.

Candidate number	Name		Current positions in the Company
01	Shigenobu Nagamori	Re-nominated	Representative Director, Member of the Board of Directors, Chairman of the Board, President & Chief Executive Officer (CEO)
02	Hiroshi Kobe	Re-nominated	Representative Director, Member of the Board of Directors and Vice Chairman
03	Mikio Katayama	Re-nominated	Representative Director, Member of the Board of Directors and Vice Chairman
04	Akira Sato	Re-nominated	Member of the Board of Directors and Executive Vice President
05	Toshihiko Miyabe	Re-nominated	Member of the Board of Directors and Executive Vice President
06	Hiroyuki Yoshimoto	Newly nominated	Executive Vice President
07	Tetsuo Onishi	Newly nominated	Executive Vice President
08	Kivoto Ido	Re-nominated	Outside Independent Director Member of the Board of Directors
09	Noriko Ishida	Re-nominated	Outside Independent Director Member of the Board of Directors



Candidate number

01

Re-nominated

## Shigenobu Nagamori

Date of birth: August 28, 1944

Number of the Company's shares in possession 24,736,866 shares

### Reason for selection as a candidate

We nominate Mr. Nagamori as a candidate for the Company's Board of Directors. We believe that Mr. Nagamori, who has served as Chief Executive Officer since he founded the Company and led the Nidec Group to become a one trillion-yen enterprise in a short period of time, is qualified to assume the position of the member of the Company's Board of Directors for the Group's further growth and development.



Candidate number

02

Re-nominated

## Hiroshi Kobe

Date of birth: March 28, 1949

Number of the Company's shares in possession 473,878 shares

### Reason for selection as a candidate

Mr. Kobe is a founding member of the Company, who has served as its Chief Operating Officer (COO) and is currently the Company's Chief Sales Officer (CSO), possessing abundant experience, achievement and expertise in the area of sales. We nominate Mr. Kobe as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promotion of the Nidec Group's sales strategy.

### Past experience, positions and responsibilities (Significant concurrent positions)

July 1973	Founded Nidec Corporation Representative Director, Chairman of the Board, President & Chief Executive Officer (CEO)
June 2014	Outside Member of the Board of Directors, SoftBank Corporation (currently SoftBank Group Corporation) (current position)
October 2014	Representative Director, Member of the Board of Directors, Chairman of the Board, President & Chief Executive Officer (CEO) (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
Nidec Sankyo Corporation  
Nidec Elesys Corporation  
Nidec Copal Electronics Corporation  
Nidec-Shimpo Corporation  
Nidec-Read Corporation  
Outside Member of the Board of Directors, SoftBank Group Corporation

### Past experience, positions and responsibilities (Significant concurrent positions)

July 1973	Participated in the foundation of Nidec Corporation
March 1982	General Manager, Sales Dept.
November 1984	Member of the Board of Directors
November 1991	Member of the Board of Directors and Senior Vice President
April 1996	Member of the Board of Directors and First Senior Vice President
April 2000	Member of the Board of Directors and Executive Vice President
April 2005	Chief Operating Officer (COO)
June 2006	Representative Director, Member of the Board of Directors and Executive Vice President
June 2008	Representative Director, Member of the Board of Directors and Executive Vice President
June 2015	Representative Director, Member of the Board of Directors and Vice Chairman (current position) Chief Sales Officer (CSO) (current position)

### Significant concurrent positions

Representative Director, Member of the Board of Directors and Chairman:  
Nidec Servo Corporation  
Nidec Global Service Corporation



Candidate number

03

Re-nominated

## Mikio Katayama

Date of birth: December 12, 1957

Number of the Company's shares in possession 1,651 share

### Reason for selection as a candidate

Mr. Katayama has served as Chairman and President of another company prior to joining Nidec, and is currently the Company's Chief Technology Officer (CTO), possessing abundant experience, achievement and expertise in a wide range of areas including R&D. We nominate Mr. Katayama as a candidate for the Company's Board of Directors because we believe that he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promotion of the Nidec Group's technological strategies.



Candidate number

04

Re-nominated

## Akira Sato

Date of birth: November 02, 1954

Number of the Company's shares in possession 3,607 shares

### Reason for selection as a candidate

Mr. Sato supervises the Nidec Group's accounting and finance departments, and is currently serving as the Company's Chief Financial Officer (CFO), possessing abundant experience, achievement and expertise in the area of finance. We nominate Mr. Sato as a candidate for the Company's Board of Directors because we believe he will be able to suitably perform his duty as a member of the Company's Board of Directors in the area of planning and promoting the Nidec Group's financial and management strategies.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1981	Sharp Corporation
April 2006	Representative Director, Member of the Board of Directors and First Senior Vice President
April 2007	Representative Director, Member of the Board of Directors and President
April 2012	Member of the Board of Directors and Chairman
September 2014	Executive Consultant, Nidec Corporation
October 2014	Vice Chairman
	Chief Technology Officer (CTO) (current position)
June 2015	Representative Director, Member of the Board of Directors and Vice Chairman (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman, Nidec India Private Limited  
 Representative Director, Member of the Board of Directors and Chairman:  
 Nidec Techno Motor Corporation  
 Nidec Copal Corporation  
 Nidec Seimitsu Corporation

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1977	Nissan Motor Co., Ltd.
April 2002	Vice President
January 2012	First Senior Vice President, Nidec Corporation
June 2012	Member of the Board of Directors and First Senior Vice President
April 2013	Member of the Board of Directors and Executive Vice President (current position)
May 2016	Chief Financial Officer (CFO) (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
 Nidec Management Shanghai Corporation  
 Nidec Americas Holding Corporation  
 Member of the Board of Directors and President, Green Sun Insurance, Inc.





Candidate number

05

Re-nominated

## Toshihiko Miyabe

Date of birth: June 16, 1958

Number of the Company's shares in possession 9,731 shares

### Reason for selection as a candidate

Mr. Miyabe has served as Chairman and President of the Nidec Group's overseas subsidiaries, and is currently the Executive General Manager of Small Precision Motor & Solutions (SPMS) Business Unit, possessing abundant experience, achievement and expertise in the area of small precision motor business. We nominate Mr. Miyabe as a candidate for the Company's Board of Directors because we believe he will be able to suitably perform his duty as a member of the Company's Board of Directors.



Candidate number

06

Newly nominated

## Hiroyuki Yoshimoto

Date of birth: October 28, 1967

Number of the Company's shares in possession 579 shares

### Reason for selection as a candidate

Mr. Yoshimoto has served as Chairman and President of the Nidec Group's affiliated companies, and is currently the Executive General Manager of Automotive Motor & Electronic Control (AMEC) Business Unit, possessing abundant experience, achievement and expertise in the area of automotive motor & electric control business. We nominate Mr. Yoshimoto as a candidate for the Company's Board of Directors because we believe he will be able to suitably perform his duty as a member of the Company's Board of Directors.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1983	Nidec Corporation
April 2006	Representative Director, Member of the Board of Directors and President, Nidec Philippines Corporation
June 2008	Vice President
April 2011	Senior Vice President
June 2012	Member of the Board of Directors and Senior Vice President
June 2013	Senior Vice President
June 2014	Member of the Board of Directors and First Senior Vice President
June 2015	Member of the Board of Directors and Executive Vice President (current position)

### Significant concurrent positions

Member of the Board of Directors and Chairman:  
Nidec (Zhejiang) Corporation  
Nidec Philippines Corporation

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1991	Nissho Iwai Corporation (currently Sojitz Corporation)
August 2003	GE Fleet Service (currently SMFL Capital Co., Ltd.)
February 2008	Calsonic Kansei Corporation
April 2010	First Senior Vice President
April 2012	Nissan Motor Co., Ltd.
March 2015	Executive Consultant, Nidec Corporation
May 2015	Representative Director, Member of the Board of Directors and President, Nidec Tosok Corporation
November 2016	Executive Vice President (current position)

### Significant concurrent positions

Representative Director, Member of the Board of Directors and Chairman, Nidec Tosok Corporation  
Member of the Board of Directors and Chairman:  
Nidec (Dalian) Limited  
Nidec Automobile Motor (Zhejiang) Corporation  
Chairman, Nidec Automotive Motor Americas, LLC



Candidate number

07

Newly nominated

## Tetsuo Onishi

Date of birth: June 18, 1954

Number of the Company's shares in possession 103 shares

### Reason for selection as a candidate

Mr. Onishi has experience in the management of another company prior to joining Nidec, and is currently serving as the Executive General Manager of Appliance, Commercial & Industrial Motor (ACIM) Business Unit, possessing abundant experience, achievement and expertise in a wide range of areas including the appliance, commercial & industrial motor business. We nominate Mr. Onishi as a candidate for the Company's Board of Directors because we believe he will be able to suitably perform his duty as a member of the Company's Board of Directors.



Candidate number

08

Re-nominated

Outside Independent Director

## Kiyoto Ido

Date of birth: October 30, 1950

Number of the Company's shares in possession 333 shares

### Reason for selection as a candidate

We nominate Mr. Kiyoto Ido as an outside member of the Company's Board of Directors because we believe that Mr. Ido, who has held prominent posts at the Ministry of Finance of Japan and other organizations, with his high-level expertise, will be able to provide the Company with advice on the Company's overall business matters, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1979	Sharp Corporation
April 2014	Representative Director, Member of the Board of Directors and Executive Vice President
May 2016	Executive Consultant, Nidec Corporation
June 2016	Executive Vice President (current position)

### Significant concurrent positions

Representative Director, Member of the Board of Directors and Chairman, Nidec Motor Holdings Corporation  
Member of the Board of Directors and Chairman:  
Nidec ASI S.p.A.  
Nidec Motor Corporation

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1973	The Ministry of Finance of Japan
March 1980	Consul, the Japanese Consulate General in Frankfurt, West Germany
July 1989	Deputy General Manager, Finance Bureau, Inter-American Development Bank
June 1993	Director, International Finance Bureau, the Ministry of Finance of Japan
July 1998	Counselor, Minister's Secretariat (Deputy Vice Minister) Deputy Director-General, Minister's Secretariat (in charge of International Bureau)
June 1999	Minister, the Embassy of Japan in the USA
July 2002	Deputy Director-General, Minister's Secretariat, the Ministry of Finance of Japan (in charge of International Bureau)
January 2003	Senior Deputy Director-General, the International Bureau of the Ministry
July 2004	Director-General, the International Bureau of the Ministry
August 2006	Executive Director, the Bank of Japan
April 2011	Vice Chairman, the Institute for International Economic Studies (IIES) (current position)
June 2014	Outside Member of the Board of Directors, Nidec Corporation (current position)

### Significant concurrent positions

Vice Chairman, the Institute for International Economic Studies (IIES)



Candidate number

09

Re-nominated

Outside

Independent Director

## Noriko Ishida

Date of birth: August 30, 1948

Number of the Company's shares in possession 9 shares

### Reason for selection as a candidate

We nominate Ms. Ishida as an outside member of the Company's Board of Directors because we believe that Ms. Ishida, who has held prominent posts at the Japan Federation of Bar Associations, will be able to provide the Company with advice on the Company's overall business matters based on long years of experience as an attorney-at-law, and that such advice will further enhance the Company's corporate governance function.

### Past experience, positions and responsibilities (Significant concurrent positions)

April 1976	Registered as attorney-at-law, the Osaka Bar Association
April 1981	Chairperson, Ishida Law Firm (currently Lion Bashi Law Firm) (current position)
April 2001	Deputy Chairperson, the Osaka Bar Association
October 2008	Chairperson, the Osaka City Council for the Promotion of Human Rights Policies
April 2010	Executive Board Member, the Japan Federation of Bar Associations
May 2010	Refugee Examination Counselor
June 2012	Outside Member of the Board of Directors, Nidec Corporation (current position)
April 2014	Chairperson, the Osaka Bar Association Deputy Chairperson, the Japan Federation of Bar Associations

### Significant concurrent positions

Chairperson, Lion Bashi Law Firm

### Note:

1. No special relationship exists between any of these candidates to the Board of Directors and the Company.
2. Mr. Shigenobu Nagamori is a Member of the Board of Directors and Chairman of Nidec Copal Electronics Corporation as of the date of dispatch of this notice, but he is expected to resign from the post at the end of the said company's Regular General Meeting of Shareholders scheduled for June 8, 2017.
3. The information on the candidates to the positions as outside members of the Company's Board of Directors is as follows:
  - (1) Mr. Kiyoto Ido and Ms. Noriko Ishida are the candidates to the positions of outside members of the Company's Board of Directors who meet the requirements for independent directors for the position in accordance with the regulations of the Tokyo Stock Exchange.
  - (2) Mr. Kiyoto Ido and Ms. Noriko Ishida, who are currently serving as outside members of the Company's Board of Directors, will have served three years and five years, respectively, as of the end of this General Meeting of Shareholders.
  - (3) Contract for limitation of liability  
The Company has executed a contract for limitation of liability with Mr. Kiyoto Ido and Ms. Noriko Ishida, and intends to extend this contract if the re-appointment of each candidate is approved. The contract's outlines are as follows:
    - The maximum amount of liability that any outside members of the Board of Directors is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
    - The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors being held accountable was executed under good will, and if no material negligence is identified in such duty.

## Proposal 2

### Election of one candidate to the Audit & Supervisory Board

As the term of Mr. Tetsuo Inoue, member of the Audit & Supervisory Board, expires at the end of this General Meeting of Shareholders, shareholders are requested to elect one candidate as the member of the Audit & Supervisory Board.

The consent of the Company's Audit & Supervisory Board has already been obtained for this Proposal.



Newly  
nominated

**Kazuya Murakami**

Date of birth: January 18, 1955

**Number of the Company's  
shares in possession** 1,019 shares

#### Reason for selection as a candidate

We nominate Mr. Murakami as a member of the Company's Audit & Supervisory Board because we believe that Mr. Murakami, who has held prominent posts at the Ministry of Finance of Japan and other organizations, with his abundant experience and expertise, will be able to advise the Company to enhance its auditing and corporate governance functions.

Note: No special relationship exists between the candidate to the Audit Supervisory Board and the Company.

#### Past experience, positions and responsibilities (Significant concurrent positions)

April 1977	The Ministry of Finance of Japan
July 1983	Director, Ise Tax Office, Nagoya Regional Taxation Bureau
July 1984	Executive Director's Assistant, International Monetary Fund (IMF)
June 1996	Director, Central Asia Team, European Bank for Reconstruction and Development (EBRD)
July 2002	Director-General, the Fukuoka Local Finance Branch Bureau, the Ministry of Finance of Japan
July 2004	Deputy Director-General, Minister's Secretariat (in charge of Customs and Tariff Bureau)
July 2005	Board Director, EBRD
July 2008	Director-General, the Kanto Local Finance Bureau, the Ministry of Finance of Japan
August 2009	Executive Director, Organization for Small & Medium Enterprises and Regional Innovation, Japan
June 2012	Fulltime Member of the Audit & Supervisory Board, Nidec Corporation
February 2013	Registered as attorney-at-law, the Kyoto Bar Association
June 2013	Vice President (current position)

## (Reference)

When this Proposal is approved, the Company's Audit & Supervisory Board will consist of the following members.

Candidate for proposal	Name		Current positions in the Company
—	Ryuichi Tanabe	Current position	Outside Independent Director Fulltime Member of the Audit & Supervisory Board
—	Osamu Narumiya	Current position	Fulltime Member of the Audit & Supervisory Board
●	Kazuya Murakami	Newly nominat	Fulltime Member of the Audit & Supervisory Board
—	Eisuke Nagatomo	Current position	Outside Independent Director Member of the Audit & Supervisory Board
—	Junko Watanabe	Current position	Outside Independent Director Member of the Audit & Supervisory Board

## Current circumstances of the Nidec Group

### 1. Current circumstances and results of business operations

#### (1) Overview of business environment in the fiscal year 2016 ended March 31, 2017

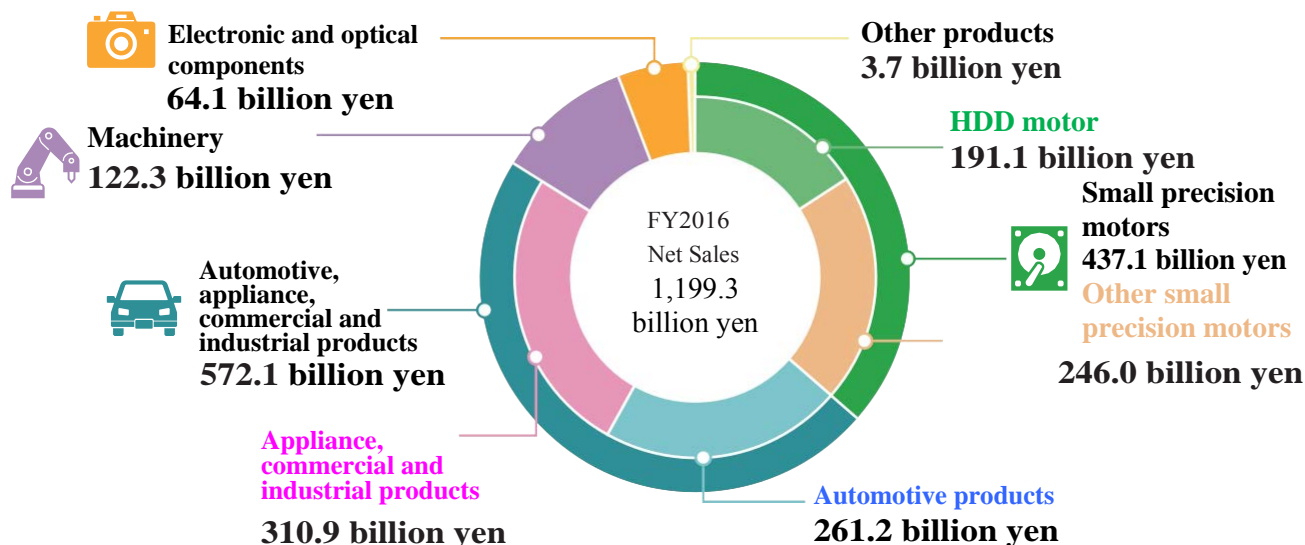
##### Adoption of IFRS

The Group has adopted International Financial Reporting Standards (“IFRS”) for its consolidated financial statements instead of U.S. GAAP from the fiscal year ended March 31, 2017. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2016, which were published on a U.S. GAAP basis, are presented in accordance with IFRS for comparative analysis.

Regarding the global economy during the fiscal year 2016, the U.S. economy continued to expand moderately, while a concurrent global stock market rally known as the “Trump rally,” which continued since Donald Trump was elected President of the United States, has now been settled. While Europe and Japan continue to enjoy a moderate recovery, China, supported by its domestic demand expansion based on public works projects, is making steady economic growth, with resource-rich countries like Brazil and Russia on their way to exit the current economic struggle as their commodity markets recover.

Under such a business environment, we continued to pursue our sales and profit growth strategies with a view to achieve our target for the fiscal year 2020 ending March 31, 2021 of consolidated net sales of two trillion yen and operating profit ratio of 15% based on our mid-term strategic goal “Vision 2020.” Compared to the previous fiscal year, consolidated net sales increased 1.8% to ¥1,199,311 million, operating profit increased 19.3% to ¥140,331 million, profit before income taxes increased 21.4% to ¥142,278 million, and profit attributable to owners of the parent increased 24.2% to ¥111,721 million, in the fiscal year 2016. This translates into the highest sales and profits for the period in the Company’s history.

#### (2) Operating results by product category for the fiscal year 2016






## Small precision motors

HDD motor, brushless motor, fan motor, vibration motor, brushed motor, motor-applied product, etc.


Net sales

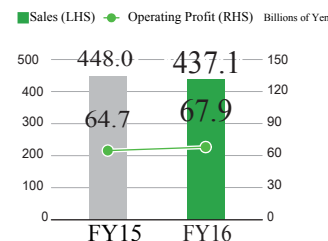
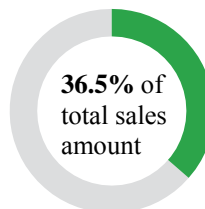
**¥437,105 million**

-2.4% 

Operating profit

**¥67,929 million**

+5.0% 



Net sales of small precision motors decreased 2.4% to ¥437,105 million for the fiscal year 2016 compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of small precision motors of approximately ¥38,600 million for the fiscal year 2016 compared to the previous fiscal year.

Net sales of spindle motors for hard disk drives, or HDDs, for the fiscal year 2016 decreased 8.1% to ¥191,074 million compared to the previous fiscal year. While the number of units sold of spindle motors for HDDs remained unchanged compared to the previous fiscal year, net sales decreased due to the effect of the foreign currency fluctuation.

Net sales of other small motors for the fiscal year 2016 increased 2.5% to ¥246,031 million compared to the previous fiscal year. This increase was due mainly to an increase in sales of other small precision motors.

Operating profit of small precision motors increased 5.0% to ¥67,929 million for fiscal year 2016 compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on operating profit of small precision motors of approximately ¥9,100 million compared to the previous fiscal year.



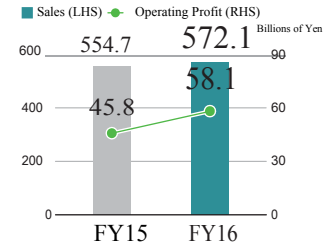
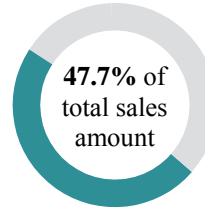


## Automotive, appliance, commercial and industrial products

Automotive motor and automobile components, and appliance, commercial and industrial products

**Net sales** **¥572,085 million**  
+3.1%

**Operating profit** **¥58,085 million**  
+26.8%



Net sales of automotive, appliance, commercial and industrial products increased 3.1% to ¥572,085 million for the fiscal year 2016 compared to the previous fiscal year. The fluctuations of the foreign currency exchange rates had a negative effect on net sales of automotive, appliance, commercial and industrial products of approximately ¥56,800 million for the fiscal year 2016 compared to the previous fiscal year.

Net sales of appliance, commercial and industrial products for fiscal year 2016 increased 9.7% compared to the previous fiscal year. This increase was primarily due to the effect of newly consolidated companies of which acquisition were completed in the fourth quarter of this fiscal year and the increase in sales through our “Three-new Strategy” (new products, new markets and new clients).

Net sales of automotive products for the fiscal year 2016 decreased 3.8% compared to the previous fiscal year. This decrease was primarily due to a negative effect of foreign currency exchange rate fluctuations, although there were increases in sales for automotive motors such as electric power steering motors and products of control valves at Nidec Tosok Corporation.

Operating profit of automotive, appliance, commercial and industrial products increased 26.8% to ¥58,085 million for the fiscal year 2016 compared to the previous fiscal year mainly due to cost reduction and changes in product mix.

The fluctuations of the foreign currency exchange rates had a negative effect on our operating profit of automotive, appliance, commercial and industrial products of approximately ¥6,900 million for the fiscal year 2016 compared to the previous fiscal year.

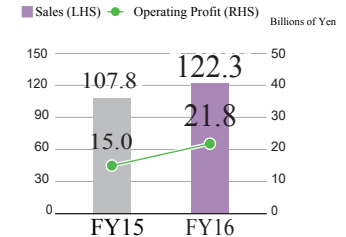
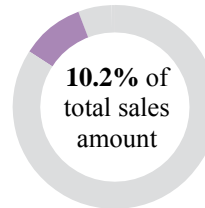


## Machinery

Industrial robot, card reader, inspection equipment, pressing machine, power transmission equipment, etc.

**Net sales** **¥122,341 million**  
+13.5%

**Operating profit** **¥21,791 million**  
+44.9%



Net sales of machinery increased 13.5% to ¥122,341 million for the fiscal year 2016 compared to the previous fiscal year due to the contribution of the newly consolidated companies and the increases in sales of LCD panel or Organic EL handling robots at Nidec Sankyo Corporation, although there was a negative effect of the foreign currency exchange rate fluctuations.

Operating profit of machinery increased 44.9% to ¥21,791 million for the fiscal year 2016 compared to the previous fiscal year due to the contributions of the newly consolidated companies and the increase in sales of LCD panel or Organic EL handling robots.





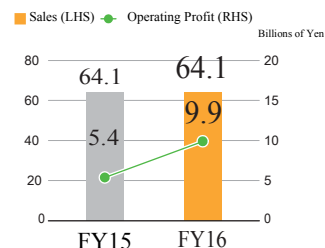


## Electronic and optical components

Switch, trimmer potentiometer, lens unit, camera shutter, etc.

**Net sales**      **¥64,072 million**  
-0.1%

**Operating profit**      **¥9,862 million**  
+82.3%



Net sales of electronic and optical components decreased 0.1% to ¥64,072 million, and operating profit of electronic and optical components increased 82.3% to ¥9,862 million, for the fiscal year 2016 compared to the previous fiscal year.

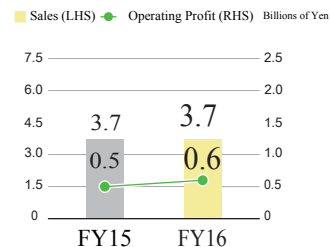
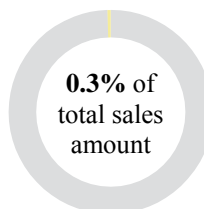


## Other products

## Service and musical products

**Net sales**      **¥3,708 million**  
+1.1%

**Operating profit**      **¥559 million**  
+3.9%



Net sales of other products increased 1.1% to ¥3,708 million, and operating profit of other products increased 3.9% to ¥559 million, for the fiscal year 2016 compared to the previous fiscal year.



## 2. Financing and capital investment

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### (1) Financing

During the fiscal year 2016, to fund the redemption of our corporate bonds, we issued fifth series unsecured bonds (a total of ¥50,000 million) in November 2016, and procured funds for M&As by taking out a foreign-currency-denominated loan from financial institutions.

With regard to our subsidiaries, we in principle did not procure funds from financial institutions, but used the cash management systems of management companies and other business entities within our group to promote the consolidation of fund procurement sources and efficient use of funds.

The total amount of the loans and corporate bonds as of the end of the fiscal year 2016 is ¥405,160 million.

### (2) Capital investment

The capital investment during the fiscal year 2016 totaled ¥68,718 million, which mainly comprises investment to enhance the Nidec Group's domestic R&D capabilities and the production capabilities of the Group's overseas subsidiaries.

Furthermore, construction was completed on the Global Learning Center for developing human resources.

### 3. Assets, profits and losses for the past three fiscal years

#### (1) Assets, profits and losses of the Nidec Group [International Financial Reporting Standards (IFRS)]

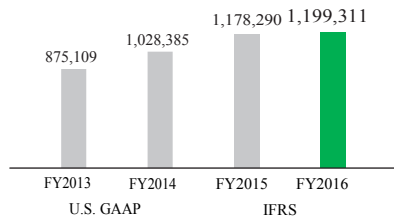
Category (Yen in millions except for per share amounts)	Fiscal year ended March 31, 2016 (fiscal year 2015)	Fiscal year ended March 31, 2017 (fiscal year 2016)
Net sales	1,178,290	1,199,311
Operating profit	117,662	140,331
Profit attributable to owners of the parent	89,945	111,721
Earnings per share attributable to owners of the parent - Basic	303.04	376.67
Total assets	1,376,636	1,676,901
Total equity attributable to owners of the parent	763,023	847,285
Total equity per share attributable to owners of the parent	2,572.56	2,856.68

#### [U.S. GAAP]

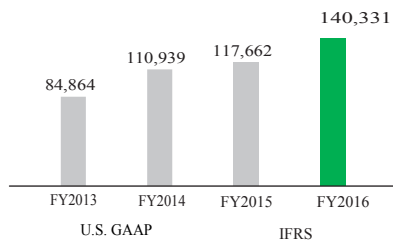
Category (Yen in millions except for per share amounts)	Fiscal year ended March 31, 2014 (fiscal year 2013)	Fiscal year ended March 31, 2015 (fiscal year 2014)	Fiscal year ended March 31, 2016 (fiscal year 2015)
Net sales	875,109	1,028,385	1,178,290
Operating income	84,864	110,939	124,538
Net income attributable to Nidec Corporation	56,272	76,015	91,810
Net income attributable to Nidec Corporation per share-basic	206.82	271.61	309.32
Total assets	1,166,938	1,357,340	1,384,472
Nidec Corporation shareholders' equity	517,971	744,972	764,221
Nidec Corporation shareholders' equity per share	1,878.03	2,533.07	2,576.59

- Notes:
1. Figures are rounded off to the nearest one million.
  2. Sales figures are exclusive of consumption tax and others.
  3. From fiscal year 2016, we prepare the consolidated financial statements based on IFRS in accordance with the provisions of Article 120, Paragraph 1 of Corporate Accounting Rules. The figures for the fiscal year 2015 based on IFRS are also stated for reference purpose.
  4. "Earnings per share attributable to owners of the parent - Basic" are calculated based on the amount of "Profit attributable to owners of the parent."
  5. "Earnings per share attributable to owners of the parent - Basic" and "Net income attributable to Nidec Corporation per share-basic" are calculated based on the average total number of the Company's shares issued and outstanding (excluding treasury stocks) during each fiscal year. "Total equity per share attributable to owners of the parent" and "Nidec Corporation shareholders' equity per share" are calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the each fiscal year.
  6. Nidec Corporation implemented a two-for-one split of its common stocks as of April 1, 2014, and the per-share information was calculated assuming that the split took place at the beginning of the fiscal year ended March 31, 2014 (fiscal year 2013).

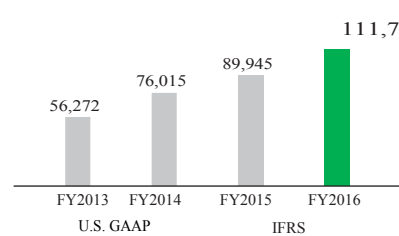
Net sales (Yen in millions)



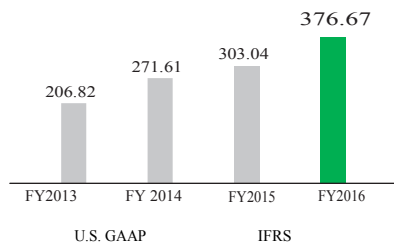
Operating profit (Yen in millions)



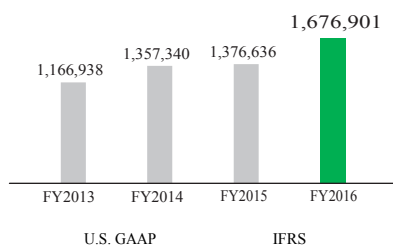
Profit attributable to owners of the parent (Yen in millions)



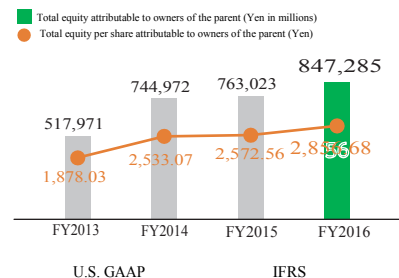
Earnings per share attributable to owners of the parent  
- Basic (Yen)



Total assets (Yen in millions)



Total equity attributable to owners of the parent/Total equity per share attributable to owners of the parent

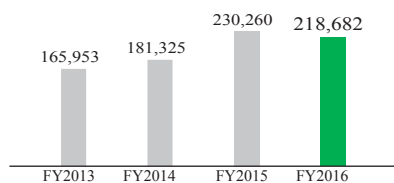


## (2) Assets, profits and losses of the Nidec Corporation

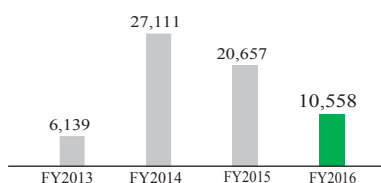
Category (Yen in millions except for per share amounts)	Fiscal year ended March 31, 2014 (fiscal year 2013)	Fiscal year ended March 31, 2015 (fiscal year 2014)	Fiscal year ended March 31, 2016 (fiscal year 2015)	Fiscal year ended March 31, 2017 (fiscal year 2016)
Net sales	165,953	181,325	230,260	218,682
Ordinary profit	6,139	27,111	20,657	10,558
Net income	5,189	25,217	17,658	7,808
Net income per share	19.07	90.08	59.49	26.32
Total assets	628,338	690,302	702,471	867,645
Net assets	230,767	347,531	348,457	334,814
Net assets per share	836.70	1,181.64	1,174.83	1,128.85

- Notes:
1. Figures are rounded off to the nearest one million.
  2. Sales figures are exclusive of consumption tax and others.
  3. "Net income per share" is calculated based on the total average number of shares issued and outstanding (excluding treasury stocks) during each fiscal year. "Net assets per share" are calculated based on the total number of shares issued and outstanding (excluding treasury stocks) as of the end of the each fiscal year.
  4. Nidec Corporation implemented a two-for-one split of its common stocks as of April 1, 2014, and the per-share information was calculated assuming that the split took place at the beginning of the fiscal year ended March 31, 2014 (fiscal year 2013).

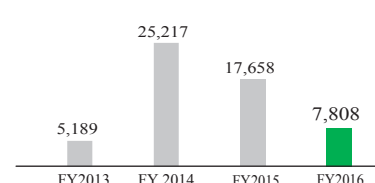
Net sales (Yen in millions)



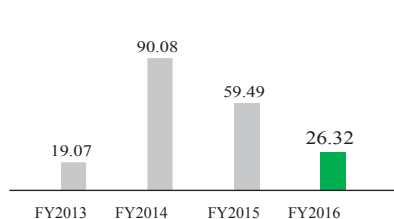
Ordinary profit (Yen in millions)



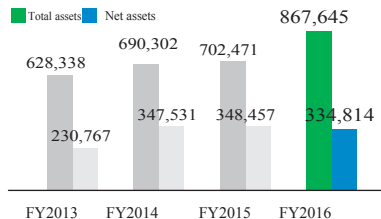
Net income (Yen in millions)



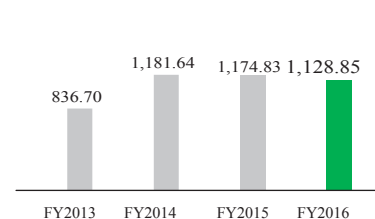
Net income per share - Basic (Yen)



Total assets/Net assets (Yen in millions)



Net assets per share (Yen)



#### 4. Issues

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(1) Continue to enhance the corporate governance system

We plan to have a total of three outside members of the Audit & Supervisory Board and two outside members of the Board of Directors for the fiscal year 2016, so as to enable more vigorous discussions in the meetings of the Board of Directors. We are focusing on further strengthening our corporate governance including an improvement in the structure of the Board of Directors.

(2) Enhance and strengthen our global management infrastructure

As a global company, we continue to enhance our group-wide management system that meets global standards, including financial reporting and disclosure systems.

In order to strengthen the foundation for our growth strategy, we are currently building our “Five-Pronged Global Business Management System” to accelerate both organic global growth and post-merger integration following acquisitions. Specifically, we are establishing regional headquarters that are responsible for improving management quality (governance, compliance and internal controls), improving management efficiency (high quality, low-cost regional shared services), and actively supporting post-merger integration, while expanding their functionalities.

We previously maintained a “federate-style” management system, under which each group company we acquired maintained a high degree of independence and autonomy in managing its business operations. However, in response to globalization, we are now quickly moving towards unified group management.

Our Corporate Administration & Internal Audit Department, the department responsible for group-wide internal controls, seeks to establish a global audit system in an effort to strengthen the supervision in the area of prevention of improper conduct as the global management system is further enhanced, and further enhance our internal control system based on the experience and know-how gained through the past audits of our financial statements and the implementation of measures to comply with the U.S. Sarbanes-Oxley Act of 2002. We also seek to improve our disclosure system and policy through enhanced cooperation between a committee responsible for information disclosure and other relevant specialized departments.

Such specialized departments and offices, including the Compliance Office, the Risk Management Office, and the CSR (corporate social responsibility) Promotion Office, also collaborate with one another and other departments as appropriate. We seek to find ways to create jobs and otherwise contribute to society based on our basic management policy as a good corporate citizen.

## 5. Main businesses of the Nidec Group (as of March 31, 2017)

The Nidec Group mainly manufactures and sells spindle motors for hard disk drives (HDD motor), small precision motors for PCs' peripheral devices, OA (office automation) equipment/devices, and home appliances, etc., and mid-large size motors for automotive, appliance, commercial and industrial products. Also, we manufacture and sell automotive components, mechanical equipment, electronic and optical components, as well as providing related services.

The group's business categories are as follows:

Product Group	Products
Small precision motors	HDD motor, brushless motor, fan motor, vibration motor, brushed motor, motor-applied products, etc.
Automotive, appliance, commercial and industrial products	Automotive motor and automobile components, and appliance, commercial and industrial products
Machinery	Industrial robot, card reader, inspection equipment, pressing machine, power transmission equipment, etc.
Electronic and optical components	Switch, trimmer potentiometer, lens unit, camera shutter, etc.
Others	Services, musical products

## 6. Major business sites, plants, and employees of Nidec Group (as of March 31, 2017)

### (1) Major business sites and plants

Head office	Minami-ku, Kyoto, Japan
Sales offices and product development sites	Kyoto, Tokyo, Shiga, Nagano, and Kawasaki, Japan
Other sites	Nidec Electronics (Thailand) Co., Ltd. Nidec Singapore Pte. Ltd. Nidec (H.K.) Co., Ltd. Nidec Sankyo Corporation (Nagano) Nidec Copal Corporation (Tokyo) Nidec Techno Motor Corporation (Kyoto) Nidec Motor Corporation (USA) Nidec Motors & Actuators (Germany) GmbH

### (2) Employees of the Nidec Group

#### (i) The Nidec Group

Category	Number of Employees	Increase (decrease) from the end of previous fiscal year
Total	107,062	10,460

- Notes: 1. In addition to the above employees, 25,704 people are working as temporary staff.  
2. The main reason for an increase in the number of employees compared to the end of the previous fiscal year is M&As.

#### (ii) Nidec Corporation

Category	Number of Employees	Increase (decrease) from the end of previous fiscal year	Average age	Average years of employment
Total	2,392	407	39.6	9.5

- Notes: 1. In addition to the above employees, 222 people are working as temporary staff.  
2. The main reason for an increase in the number of employees compared to the end of the previous fiscal year is the expansion of the business.

## 7. Important parent companies and subsidiaries

### (1) Important subsidiaries (as of March 31, 2017)

Subsidiaries	Capital or investment	Ratio of voting rights	Major business
Nidec Electronics (Thailand) Co., Ltd.	USD 231,657,000	99.9%	Manufacturing and sales of small precision motors
Nidec Singapore Pte. Ltd.	USD 4,656,000	100.0%	Sales of small precision motors
Nidec (H.K.) Co., Ltd.	HKD 2,352,000	100.0%	Sales of small precision motors
Nidec Sankyo Corporation	JPY 35,270 million	100.0%	Manufacturing and sales of small precision motors, automotive products, machinery and equipment, and electronic components
Nidec Copal Corporation	JPY 11,080 million	100.0%	Manufacturing and sales of small precision motors, machinery and equipment, and electronic and optical component
Nidec Techno Motor Corporation	JPY 2,500 million	100.0%	Manufacturing and sales of commercial and industrial products
Nidec Motor Corporation	USD 578,879,000	100.0% (100.0%)	Manufacturing and sales of home appliance, commercial, and industrial products
Nidec Motors & Actuators (Germany) GmbH	EUR 25,000	100.0%	Manufacturing and sales of automotive products

- Notes: 1. Figures are rounded off to the minimum unit in the capitals.  
2. The percentages within the parentheses in the "Ratio of voting rights" column indicate the ratios of the voting rights owned by the Company's subsidiaries and other institutions.

### (2) Business combinations

We acquired the motors, drives and electric power generation businesses of Emerson Electric Co. on January 31, 2017 (US time) and converted them into our subsidiaries.

## 8. Major financial lenders and amounts borrowed (as of March 31, 2017)

Lenders	Amount borrowed (yen in millions)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	94,839
Sumitomo Mitsui Banking Corporation	60,482

## 9. Dividend Policy

We uphold shareholder-oriented management and pursue high growth, high profitability and high share value to build long-term, sustainable growth in shareholder value. We seek to lay out our vision for the future on a regular and timely basis to keep stakeholders informed on how we intend to respond to changing opportunities and challenges as we continue to strive to succeed in our endeavors. Placing importance on regular dividend payments, we seek to increase our dividend payout to around 30% of our consolidated net income and use reserves to reinforce our management structure, expand our business horizons, and eventually to improve our profitability, and shareholder value.

## 10. Other important matters concerning the current business circumstances of the Nidec Group

N/A



## II. Matters concerning shares of the Company (as of March 31, 2017)

1. Total number of shares issuable: 960,000,000

2. Total number of shares issued: 298,142,234

3. Total number of shareholders: 48,124

### 4. Ten major shareholders (excluding treasury stocks):

Shareholders	Shares owned (in thousands)	Shareholding ratio (%)
Shigenobu Nagamori	24,736	8.34
Japan Trustee Services Bank, Ltd. (Trust account)	18,062	6.08
The Master Trust Bank of Japan, Ltd. (Trust account)	14,527	4.89
The Bank of Kyoto, Ltd.	12,399	4.18
S.N. Kosan, Ltd.	11,122	3.75
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,425	2.50
State Street Bank and Trust Company	6,935	2.33
Nippon Life Insurance Company	6,579	2.21
Meiji Yasuda Life Insurance Company	6,402	2.15
JPMC Oppenheimer JASDEC Lending Account	6,347	2.14

- Notes: 1. The numbers of shares owned are rounded off to the nearest one thousand.  
2. The shareholding ratio was calculated excluding treasury stocks (1,544,634 shares).

**III. Matters concerning the Company's share warrant**  
N/A

#### IV. Matters concerning the members of the Board of Directors and the Audit & Supervisory Board of the Company

##### 1. Members of the Board of Directors and the Audit & Supervisory Board (as of March 31, 2017)

Position	Name	Job description and concurrent positions at other corporations
Representative Director, Member of the Board of Directors, Chairman of the Board, President & CEO	Shigenobu Nagamori	Chief Executive Officer, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Sankyo Corporation, Nidec Elesys Corporation, Nidec Copal Electronics Corporation, Nidec-Shimpo Corporation, and Nidec-Read Corporation; and Outside Member of the Board of Directors, SoftBank Group Corporation
Representative Director, Member of the Board of Directors and Vice Chairman	Hiroshi Kobe	Chief Sales Officer and Adviser to President (in the area of Global Business Promotion Division, Global Centralized Purchasing Division, Secretarial Office, Corporate Administration & Internal Audit Dept., Compliance Office, Risk Management Office, Corporate Planning Dept., Public Relations & Advertising Dept., Legal Dept., General Affairs Dept., Human Resources Management Dept., Human Resources Development Dept., Information Systems Dept., International Business Administration Dept., Sales Administration & Service Dept., and 3Q6S), Nidec Corporation; and Representative Director, Member of the Board of Directors and Chairman, Nidec Servo Corporation and Nidec Global Service Corporation
Representative Director, Member of the Board of Directors and Vice Chairman	Mikio Katayama	Chief Technology Officer, Adviser to President (in the area of New Business Development Unit, Nidec Research and Development Center, Japan, Nidec Center for Industrial Science, and Production Engineering Center), and in charge of managing Intellectual Property Dept., Nidec Corporation; Member of the Board of Directors and Chairman, Nidec India Private Limited; and Representative Director, Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation, Nidec Copal Corporation and Nidec Seimitsu Corporation
Member of the Board of Directors and Executive Vice President	Akira Sato	Chief Financial Officer, Adviser to President (in the area of Global PMI Promotion Division, Corporate Strategy Office, Group Companies Management Dept., and Finance Dept.), and in charge of managing CFO Strategy Dept., Accounting Dept., Global Tax Planning Dept., and CSR Promotion Office, Nidec Corporation; Member of the Board of Directors and Chairman, Nidec Management Shanghai Corporation and Nidec Americas Holding Corporation; and Member of the Board of Directors and President, Green Sun Insurance, Inc.
Member of the Board of Directors and Executive Vice President	Toshihiko Miyabe	Adviser to President (in the area of Small Precision Motor & Solutions Business Unit), and Executive General Manager, Small Precision Motor & Solutions Business Unit, BU-wide Business Planning and First Senior General Manager, General Application Motor & Solutions Business Group, Nidec Corporation; and Member of the Board of Directors and Chairman,

		Nidec (Zhejiang) Corporation and Nidec Philippines Corporation
Member of the Board of Directors	Kiyoto Ido	Vice Chairman, the Institute for International Economic Studies (IIES)
Member of the Board of Directors	Noriko Ishida	Chairperson, Lion Bashi Law Firm
Fulltime Member of the Audit & Supervisory Board	Ryuichi Tanabe	Member of the Audit & Supervisory Board, Nidec-Read Corporation
Fulltime Member of the Audit & Supervisory Board	Osamu Narumiya	
Fulltime Member of the Audit & Supervisory Board	Tetsuo Inoue	Member of the Audit & Supervisory Board, Nidec Sankyo Corporation, Nidec Techno Motor Corporation, Nidec Tosok Corporation, Nidec Copal Electronics Corporation, Nidec-Shimpo Corporation, Nidec Copal Corporation, Nidec Servo Corporation, Nidec Seimitsu Corporation, Nidec-Read Corporation, Nidec Machinery Corporation, and Nidec Global Service Corporation
Member of the Audit & Supervisory Board	Eisuke Nagatomo	Representative Director and Member of the Board of Directors, EN associates, Co., Ltd.; Visiting Professor, Graduate School of Commerce, Waseda University; Outside Member of the Board of Directors, kabu.com Securities Co., Ltd. and Miroku Jyoho Service Co., Ltd.; and Outside Member of the Audit & Supervisory Board, Nikkiso Co., Ltd.
Member of the Audit & Supervisory Board	Junko Watanabe	Professor, Graduate School of Economics and Faculty of Economics, Kyoto University

- Notes:
1. Mr. Kiyoto Ido and Ms. Noriko Ishida, outside members of the Board of Directors, have been appointed as Independent Directors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of Tokyo Stock Exchange.
  2. Messrs. Ryuichi Tanabe and Eisuke Nagatomo and Ms. Junko Watanabe, outside members of the Audit & Supervisory Board, have been appointed as Independent Auditors who the Company believes have the capacity to fully perform their roles including the supervision of the execution of duties of the Company from an independent position, meeting the requirements for independent candidates for the position in accordance with the regulations of Tokyo Stock Exchange.
  3. Appointments and transfers of members of the Board of Directors and the Audit & Supervisory Board during the fiscal year 2016 were as follows:
    - (i) Messrs. Tadaaki Hamada, Masuo Yoshimatsu, Kazuya Hayafune and Toshiaki Otani, members of the Board of Directors, retired from their posts at the end of the 43rd Regular General Meeting of Shareholders held on June 17, 2016.
    - (ii) During the 43rd Regular General Meeting of Shareholders held on June 17, 2016, Mr. Eisuke Nagatomo and Ms. Junko Watanabe were newly elected and assumed office as members of the Audit & Supervisory Board.
    - (iii) Mr. Ikuo Nishikawa, a member of the Audit & Supervisory Board, resigned and retired from the post at the end of the 43rd Regular General Meeting of Shareholders held on June 17, 2016.
  4. Mr. Kiyoto Ido, a member of the Board of Directors, has held prominent posts at the Ministry of Finance of Japan and other organizations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.
  5. Ms. Noriko Ishida, a member of the Board of Directors, is a qualified attorney-at-law, and possesses sufficient knowledge and expertise on law. No special relationship exists between Nidec Corporation and her concurrently held posts.
  6. Mr. Ryuichi Tanabe, a member of the Audit & Supervisory Board, has worked globally as a diplomat, and possesses broad international perspectives and knowledge. Nidec-Read Corporation, for which

- Mr. Tanabe works as a member of the Audit & Supervisory Board, is Nidec Corporation's subsidiary.
7. Mr. Osamu Narumiya, a member of the Audit & Supervisory Board, has long been involved in risk management and corporate administration and internal audit services, and possesses sufficient knowledge and expertise on finance and accounting.
  8. Mr. Tetsuo Inoue, a member of the Audit & Supervisory Board, has long been involved in the management of the Nidec Corporation's group companies, and also having worked as General Manager of Nidec Corporation's Group Companies Management Department, possesses sufficient knowledge and expertise on the management of the Nidec Group's affiliates.
  9. Mr. Eisuke Nagatomo, a member of the Audit & Supervisory Board, has held prominent posts at Tokyo Stock Exchange and other corporations, and possesses sufficient knowledge and expertise on finance and accounting. No special relationship exists between Nidec Corporation and his concurrently held posts.
  10. Ms. Junko Watanabe, a member of the Audit & Supervisory Board, has abundant experience and high-level expertise as a university professor. We made a donation to Kyoto University to support its educational and research activities during the fiscal year 2016; however, the amount of the donation was insignificant.

## **2. Aggregate remuneration amount of the members of the Board of Directors and the Audit & Supervisory Board**

Category	Number	Amount	Description
Members of the Board of Directors	11	¥323 million	Including ¥12 million for two Outside Members of the Board of Directors
Members of the Audit & Supervisory Board	6	¥57 million	Including ¥27 million for four Outside Members of the Audit & Supervisory Board
Total	17	¥380 million	

Note: The above figures include those of four members of the Board of Directors and one outside member of the Audit & Supervisory Board who respectively resigned from office during the fiscal year 2016.

## **3. Major activities of outside members of the Board of Directors**

- (1) Attendance and statements made by outside members of the Board of Directors at the meetings of the Board of Directors

Name	Attendance (number of times)		Statement
	Meeting of the Board of Directors		
Kiyoto Ido	20		Business management-related statements based on a professional viewpoint
Noriko Ishida	23		Expertise-based statements as an attorney-at-law

Note: During the fiscal year 2016, the meetings of the Board of Directors were held 23 times.

- (2) Attendance and statements made by outside members of the Audit & Supervisory Board at the meetings of the Board of Directors and the meetings of the Audit & Supervisory Board

Name	Attendance (number of times)		Statement
	Meeting of the Board of Directors	Meeting of the Audit & Supervisory Board	
Ryuichi Tanabe	22	14	Business management-related statements based on a professional viewpoint
Eisuke Nagatomo	16	10	Business management-related statements based on a professional viewpoint
Junko Watanabe	17	10	Business management-related statements based on a professional viewpoint

- Notes:
1. During the fiscal year 2016, the meetings of the Board of Directors were held 23 times, and the meetings of the Audit & Supervisory Board were held 14 times.
  2. Mr. Eisuke Nagatomo and Ms. Junko Watanabe were newly elected as outside members of

the Audit & Supervisory Board at the 43rd Regular General Meeting of Shareholders held on June 17, 2016. Following the date above, the meetings of the Board of Directors were held 17 times, and the meetings of the Audit & Supervisory Board were held 10 times during the fiscal year 2016.

(3) Overview of Limited Liability Agreement

Nidec Corporation has a limit liability contract with Mr. Kiyoto Ido and Ms. Noriko Ishida (outside members of the Board of Directors), and with Messrs. Ryuichi Tanabe and Eisuke Nagatomo and Ms. Junko Watanabe (outside members of the Audit & Supervisory Board). The contract's overview is as follows:

- The maximum amount of liability that any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors or any outside members of the Audit & Supervisory Board being held accountable was executed under good will, and if no material negligence is identified in such duty.

## V. Matters concerning the accounting auditor

### 1. Name of the accounting auditor

PricewaterhouseCoopers Kyoto

### 2. Remuneration and other compensations for the accounting auditor

Category	Amount Paid
(1) Total amount of remuneration, and others to be paid by the Company	¥220 million
(2) Total amount of money and other asset-type profit to be paid by the Company and its subsidiaries	¥539 million

- Notes:
1. The amount in (1) above shows the total of all audit fees combined because, in the audit contracts between the Company and its accounting auditor, the audit fees for Companies Act-based audits and Financial Instruments and Exchange Law-based audits are not distinguished, nor could they be distinguished in substance.
  2. The Company consigns and pays consideration to the accounting auditor for services concerning the preparation of comfort letters, which are non-auditing services outside the scope of Article 2-1 of Certified Public Accountants Act of Japan.
  3. Of the Company's important subsidiaries, Nidec Motor Corporation and other four companies undergo audits (limited to the audits subject to Companies Act or Financial Instruments and Exchange Act of Japan (including laws and regulations that are equivalent to these laws) by certified public accountants or auditing firms other than the Company's accounting auditor (including those with overseas qualifications equivalent to those of such accountants or firms).
  4. The Audit & Supervisory Board obtained necessary documents, and received and discussed reports, from the members of the Board of Directors, concerned departments of the Company, and the accounting auditor, and, determined and reached consensus that the basis of the calculation of the remuneration, etc. estimated based on the audit plan and audits executed during the previous fiscal year and on the audit time and personnel allocation plan for the fiscal year 2016 audit plan is correct, based on the detailed and clear relationship between the audit work and the remuneration.

### 3. Policy to decide to dismiss or decline the re-appointment of an accounting auditor

Should an accounting auditor be deemed to have violated and/or conflicted with the laws and regulations such as the Companies Act of Japan, based on such fact, the Company's Audit & Supervisory Board will discuss the dismissal or non-reappointment of the accounting auditor.

Should dismissal or non-reappointment of the accounting auditor be deemed necessary, the Audit & Supervisory Board shall determine the content of a proposal for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders by the Board of Directors. This information is based on the company regulations resolved on the responsibilities of the Audit & Supervisory Board in order to comply with the revised Companies Act of Japan.

## **VI. The system to secure proper business performance and its operation**

### **1. Overview of decisions regarding the system to secure proper business performance**

The Company established basic policies concerning its and its affiliated companies' internal control systems in a "Nidec Policy Manual" in September 2004, and with the establishment of the Corporate Administration & Internal Audit Dept. and its activities, the Company has been trying to maintain, and improve the efficiency of, the internal control system that should be described in financial reports required by Article 24-4-4, Paragraph 1 of the Financial Instruments and Exchange Act.

The Company has in place the following system to secure proper business operations in accordance with Company Act and bylaws for execution thereof.

- (1) Systems for ensuring the execution of duties by the Company's members of the Board of Directors and employees in accordance with laws, regulations, and the Company's Articles of Incorporation

Secure the following compliance system by complying with and meeting requirements of laws and various regulations, internal regulations and criteria, social ethics and morals, etc. to: acquire social trust; heighten Directors' and employees' sense of moral; and operate the Company with integrity.

  - (i) Establish "Compliance Regulations" to determine the basic policies and organization of, and how to operate, the Company's compliance system, and to establish a compliance system and raise awareness thereof through law and regulation-based proper operations, and continuous verification and improvement of the process of such operations.
  - (ii) Establish a Compliance Committee under the Board of Directors, create and execute an annual plan under the Committee's policy for each office and department general managers to always promote, handle, and report on ethical conducts. The Compliance Office supports this act and summarizes all reports on it, while Corporate Administration & Internal Audit Dept. audits on the status of the establishment of the system.
  - (iii) As part of the compliance promotion, make "Nidec Group Compliance Code of Conduct" and "Nidec Group Compliance Manual" as the Company's code of conducts, and ensure that all group companies' officers and employees understand and follow them.
  - (iv) To promote compliance, hold a compliance seminar for each group company, and promote awareness on compliance of the Nidec Group's officers and employees.
  - (v) Establish a Group-wide whistle-blowing system (Nidec Global Compliance Hotline) to promote employees to report violation of law and internal rules and raise issues, and to protect those who report on compliance issues.
  - (vi) To promote the aforementioned activities, Nidec has in place a Group-wide compliance-securing system (global compliance system) of people of the Compliance Office of Nidec Corporation working in collaboration with those of individual Group companies' regional compliance teams (in Americas, China, Europe, and Southeast Asia).
  - (vii) Prevent the recurrence of compliance violations by reporting and communicating such violations to the Compliance Office or an internal report consultation service established outside the Company. Be especially careful to prevent violations committed by the Company management or employees, or any third parties, which cause false information to be written on financial statements. Make decisions on any case of compliance violation after deliberating it in the Company's Disciplinary Action Committee and the meetings of the Board of Directors.
  - (viii) To exercise corporate governance group-wide, promote Nidec Corporation's head office departments to advise and support the establishment of a Group-wide internal control system, and monitor and audit it to ensure legal, proper, and efficient business management.
  - (ix) The internal audit departments of Nidec Corporation and its subsidiaries audit each Nidec Group company, and provide advice and support for business improvement.
- (2) Systems on governing the storage and management of information concerning the execution of duties by the members of the Board of Directors

Determine the retention period, organize, and maintain the documents concerning execution of duties of members of the Board of Directors and Executive Officers (hereinafter, referred to as Vice Presidents) in accordance with the Company's document control procedures, and make documents always available for the Company's Audit & Supervisory Board members to view.



- (3) Rules and other systems governing management of risks of losses incurred by Nidec Corporation and its subsidiaries
  - (i) Under a risk management system, the Company has in place Risk Management Regulations to create a risk management system and form Risk Management Committee and Risk Management Office. Risk Management Committee, formed under the Board of Directors, establishes its annual policies based on which each office and department General Manager creates and executes annual plans to thoroughly manage, handle and report risks. While Risk Management Office supports such actions and summarizes status reports, Corporate Administration & Internal Audit Dept. audits how this risk management system is being established.
  - (ii) In addition to Risk Management Regulations, which are on daily risk management, Crisis Management Regulations exist for risks that have occurred and thus need to be contained.
  
- (4) Systems for ensuring efficient execution of duties by members of the Board of Directors
  - (i) As the basis of the “system to secure an efficient execution of the duties of members to the Board of Directors,” adopt a Vice President system, and assign executive authorities to the Vice Presidents. The Board of Directors makes decisions on important matters concerning Nidec Corporation’s business policies and strategies, appoint and dismiss Vice Presidents, and supervise the executions of their duties.
  - (ii) The Nidec Group forms a mid-term business plan to realize its long-term vision set as a specific quantified and qualitative goal, and use it as the basis of its annual business plan. The Nidec Group, in forming such plan, discusses and makes decisions on various matters including the mid-term goal’s feasibility, the goal’s consistency with the long-term vision, and issues and risks to solve to achieve the goal. Also, depending on changes and progresses in the market, the Nidec Group reviews (performs rolling on) the plan regularly.
  - (iii) Approval Request (Ringi) Regulation exists on matters subject to approval and the approval request procedure in order to clarify decisions on job handling and relations among authorities and thus to improve business efficiency and transparency.
  - (iv) Each department, under its responsibilities, collects sufficient information needed, and, as necessary, circulates such information collected to concerned departments without delay. Each department reports and shares important information in the daily risk meeting immediately, and the minutes of the meeting are distributed to each department’s general manager daily to handle daily work. Discuss and share such information from the minutes, as necessary, widely in the Meetings of the Management and Managing Directors.
  
- (5) Systems for reporting the execution of duties by the members of the Board of Directors of the Company’s subsidiaries
  - (i) The Company’s members of the Board of Directors and Vice Presidents concurrently work as the Directors and Vice Presidents of Group companies, and attend each Group company’s management meetings, hold Group CEO meetings every quarter, etc. to efficiently share business policies and information and communicate instructions and requests.
  - (ii) Departments that oversee the work of Group companies aim to strengthen their ties with each Group company, and, as necessary, request the companies to submit a report, a document, etc. in order to accurately understand their business.
  
- (6) Matters concerning employees who provide assistance to the members of the Audit & Supervisory Board and the independence of such employees from the Board of Directors
  - (i) Corporate Administration & Internal Audit Dept., following a request by the Audit & Supervisory Board, performs audits on matters that Audit & Supervisory Board members requested to audit, and reports the result of such audits to the Audit & Supervisory Board.
  - (ii) During such audits, assistance is provided for Audit & Supervisory Board members’ duties under their supervision. The Board of Directors and Vice Presidents do not in any way unreasonably restrict the report of the audit.
  
- (7) Systems for reporting to the members of the Audit & Supervisory Board applicable to the members of the Board of Directors and employees, etc.
 

In addition to legally required matters, the Company’s members to the Board of Directors and employees immediately report any matters that significantly affect the Company, the status of an internal audit, and the status and the description of any reports made based on the internal report

system. The way to report such matters is decided by discussion between the Board of Directors and the Audit & Supervisory Board.

- (8) Systems for reporting to the Company's members of the Audit & Supervisory Board, applicable to directors, internal audit personnel and employees who execute operations of the subsidiaries and those who receive reports from them, and rules for protecting whistle blowers
  - (i) The Company's Corporate Administration & Internal Audit Department regularly holds a meeting to report the result of internal audit of Nidec group and related issues to the members of the Audit & Supervisory Board.
  - (ii) The Company's Compliance Office regularly reports to the members of the Audit & Supervisory Board the information provided by internal whistle-blowers.
  - (iii) In its internal reporting system (the Nidec Global Compliance Hotline), the Nidec Group ensures to protect whistle-blowers so that they will not be put in a disadvantageous position because of their reporting.
  
- (9) Matters concerning policies on the handling of expenses or debts resulting from the execution of the duties by the members of the Audit & Supervisory Board, including procedures for the advance payment or indemnification of expenses, etc.

The Company's Audit & Supervisory Board is entitled to, following the policy on the responsibilities of the Audit & Supervisory Board and the Audit & Supervisory Board auditing standard, independently resolve a budget for auditing expenses and other matters deemed by its members as necessary for executing their duties, and may request reimbursement to the Company for extra budgetary expenses.
  
- (10) Other procedures for ensuring efficient execution of duties by the members of the Audit & Supervisory Board
  - (i) The members of the Audit & Supervisory Board exchange their opinions with the Company's top management.
  - (ii) The members of the Audit & Supervisory Board summarize monthly activities in an audit report, and submit it to the meeting of the Board of Directors.
  - (iii) The members of the Audit & Supervisory Board visit each company's workplace, and perform a 3Q6S audit, etc.

## **2. Overview of the operation of the system to secure proper business performance**

The company, based on the above system, has implemented the following specific actions:

(1) Compliance system

As part of the Company's efforts to ensure regulatory compliance, the Compliance Office held compliance seminars for the purpose of raising awareness among the executives and employees of the Company and its consolidated subsidiaries on the importance of adhering to guidelines regarding compliance issues. Additionally, the Company's Chairman of the Board, President & CEO addressed himself to compliance issues and raised awareness at the meetings with the Company's consolidated subsidiaries.

Furthermore, the Company's Compliance Committee worked to secure a compliance system in the Company and other individual Nidec Group companies by monitoring their status of compliance.

(2) Risk management system

The Company's Risk Management Office collected and assessed, in a consolidated and comprehensive manner, the risk assessment & survey sheets, risk management activity plans and the reports on the previous fiscal year's executed plans and risks materialized, which were submitted from the Company and other Nidec Group companies, and identified and addressed important risks to the Nidec Group in the Office's attempt for comprehensive risk management.

(3) Systems to secure efficient work execution

The Company submitted for deliberation important work execution-related matters to the Management Meeting and above prior to submitting such matters to the Board of Directors, discussed and deliberated the appropriateness of the execution of the work, the possible presence of risks in the work etc., and thus aimed to improve the efficiency of work execution.

(4) System of auditing by the members of the Audit & Supervisory Board

The members of the Company's Audit & Supervisory Board all attended the meetings of the Board of Directors, and monitored them to confirm that the Company's decisions are made after sufficient discussion. The members of the Company's Audit & Supervisory Board also shared information and exchanged their opinions with Corporate Administration & Internal Audit Department and the accounting auditor of the Company, while obtaining information from the Risk Management Meeting, etc. as necessary, and reported to the Board of Directors, as necessary, important issues and other matters obtained from such information.

Furthermore, the members of the Company's Audit & Supervisory Board invited the Company's accounting auditor to the meetings of the Audit & Supervisory Board a total of six times during this fiscal year, and closely exchanged their information with the accounting auditor.

(5) Internal audit system

Based on its internal audit plan, the Company's Corporate Administration & Internal Audit Department conducted internal audit to the Company and other Nidec Group companies, and, as necessary, reported and explained at the Company's managers' meeting and the Risk Management Meeting, etc. the issues and problems identified in relation to internal audit and other matters to ensure that all departments concerned will progress on those matters. Corporate Administration & Internal Audit Department also held report meetings with the members of the Company's Audit & Supervisory Board as necessary, and reported the results of internal audits at individual Nidec Group companies.

## Consolidated Financial Statements for the Fiscal Year 2016

(April 1, 2016 – March 31, 2017)

### Consolidated Statement of Financial Position

(As of March 31, 2017)

(Yen in millions)

Title	Amount	Title	Amount
Assets		Liabilities	
Current assets	900,729	Current liabilities	602,087
Cash and cash equivalents	321,580	Short term borrowings	166,606
Trade and other receivables	348,897	Long term debt due within one year	84,040
Other financial assets	2,951	Trade and other payables	251,236
Income tax receivables	1,676	Other financial liabilities	1,844
Inventories	197,283	Income tax payables	6,690
Other current assets	28,342	Provisions	25,210
Non-current assets	776,172	Other current liabilities	66,461
Property, plant and equipment	394,051	Non-current liabilities	218,295
Goodwill	260,183	Long term debt	161,785
Intangible assets	77,215	Other financial liabilities	1,315
Investments accounted for using the equity method	1,125	Retirement benefit liabilities	22,656
Other investments	19,583	Provisions	3,614
Other financial assets	3,764	Deferred tax liabilities	25,994
Deferred tax assets	15,526	Other non-current liabilities	2,931
Other non-current assets	4,725	Total liabilities	820,382
		Common stock	87,784
		Additional paid-in capital	118,340
		Retained earnings	716,625
		Other components of equity	(63,321)
		Treasury stock	(12,143)
		Total equity attributable to owners of the parent	847,285
		Non-controlling interests	9,234
		Total equity	856,519
Total assets	1,676,901	Total liabilities and equity	1,676,901

## Consolidated Statement of Income

(For the year ended March 31, 2017)

(Yen in millions)

Title	Amount
Net sales	1,199,311
Cost of sales	(912,715)
Gross profit	286,596
Selling, general and administrative expenses	(93,458)
Research and development expenses	(52,807)
Operating profit	140,331
Financial income	3,368
Financial expenses	(3,063)
Derivative gain	405
Foreign exchange differences	1,771
Share of net profit (loss) from associate accounting using the equity method	(534)
Profit before income taxes	142,278
Income tax expenses	(29,607)
Profit for the year	112,671
Profit for the year attributable to:	
Owners of the parent	111,721
Non-controlling interests	950
Profit for the year	112,671

## Consolidated Statement of Changes in Equity

For the year ended March 31, 2017

(Yen in millions)

	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
As of April 1, 2016	87,784	118,341	625,168	(56,159)	(12,111)	763,023	8,346	771,369
Comprehensive income								
Profit for the year			111,721			111,721	950	112,671
Other comprehensive income				(3,697)		(3,697)	(49)	(3,746)
Total comprehensive income						108,024	901	108,925
Transactions with owners directly recognized in equity:								
Purchase of treasury stock					(33)	(33)	-	(33)
Dividends paid to the owners of the parent			(23,728)			(23,728)	-	(23,728)
Dividends paid to non-controlling interests						-	(18)	(18)
Transfer to retained earnings			3,464	(3,464)		-	-	-
Other		(1)		(1)	1	(1)	5	4
As of March 31, 2017	87,784	118,340	716,625	(63,321)	(12,143)	847,285	9,234	856,519

## Financial Statements

### Non-consolidated Balance Sheet

(As of March 31, 2017)

(Yen in millions)

Title	Amount	Title	Amount
[Assets]		[Liabilities and equity]	
Current assets	176,667	Current liabilities	372,014
Cash and cash equivalents	24,978	Accounts payable-trade	33,851
Trade notes receivable	33	Electronically recorded obligations-operating	888
Electronically recorded monetary claim	715	Short-term loans payable	226,281
Trade accounts receivable	71,405	Corporate bonds redeemable within one year	65,000
Finished goods	3,145	Current portion of long-term loans payable	11,596
Work in process	174	Accounts payable-other	9,831
Raw materials and supplies	630	Accrued expenses	954
Prepaid expenses	583	Deposits received	21,352
Deferred tax assets	1,398	Unearned revenue	23
Short-term loans receivable from subsidiaries and affiliates	62,707	Provision for bonuses	2,229
Long-term loans receivable from subsidiaries and affiliates redeemable within one year	1,483	Other	9
Account receivable-other	8,124	Noncurrent liabilities	160,817
Corporate tax receivable, etc.	1,468	Corporate bonds	85,001
Other	183	Long-term loan payable	73,981
Allowance for doubtful accounts	(359)	Deferred tax liabilities	1,567
Noncurrent assets	690,978	Other	268
Property, plant and equipment	37,485	Total liabilities	532,831
Buildings	19,285	Shareholder's equity	331,317
Structures	559	Capital stock	87,784
Machinery and equipment	857	Capital surplus	147,930
Tools, furniture and fixtures	2,152	Legal capital surplus	92,005
Land	14,315	Other capital surplus	55,925
Construction in progress	308	Retained earnings	107,746
Other	9	Legal retained earnings	721
Intangible assets	5,917	Other retained earnings	107,026
Patent right	53	General reserve	89,650
Software	4,813	Retained earnings brought forward	17,376
Software in progress	979	Treasury stock	(12,144)
Other	72	Total valuation and translation adjustments	3,497
Investments and other assets	647,576	Valuation difference on available-for-sale securities	3,828
Investment securities	12,883	Revaluation reserve for land	(331)
Stocks of subsidiaries and affiliates	597,561		
Investments in capital of subsidiaries and affiliates	31,783		

Long-term loans receivable from subsidiaries and affiliates	2,862		
Claims provable in bankruptcy, claims provable in rehabilitation and other	445		
Long-term prepaid expenses	719		
Prepaid pension cost	1,378		
Other	395		
Allowance for doubtful accounts	(450)	Total net assets	334,814
Total assets	867,645	Total liabilities and net assets	867,645



## Non-Consolidated Statement of Income

(For the year ended March 31, 2017)

(Yen in millions)

Title	Amount	
Net sales		218,682
Cost of sales		180,611
Gross profit		38,071
Selling, general and administrative expenses		38,968
Operating income (loss)		(897)
Non-operating income		
Interest income	758	
Dividend income	9,114	
Foreign exchange gains	2,269	
Other	1,824	13,965
Non-operating expenses		
Interest expenses	1,070	
Corporate bond expenses	607	
Other	833	2,510
Ordinary profit		10,558
Extraordinary income		
Gain on sales of noncurrent assets	2	
Gain on sales of investment securities	5	7
Extraordinary losses		
Loss on disposal of noncurrent assets	1	
Inter-company transfer pricing adjustment	280	281
Income before income taxes and other		10,284
Income taxes - current	342	
Income taxes - deferred	2,134	2,476
Net income		7,808

## Non-Consolidated Statement of Shareholders' Equity

(For the year ended March 31, 2017)

(Yen in millions)

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus		Other retained earnings			
					General reserve	Retained earnings carried forward		
Balance at the end of previous period	87,784	92,005	55,925	721	89,650	33,299	(12,111)	347,274
Total changes of items during the period								
Dividends from surplus						(23,728)		(23,728)
Net income						7,808		7,808
Purchase of treasury stock							(33)	(33)
Reversal of revaluation reserve for land						(3)		(3)
Net changes of items other than shareholders' equity								
Total changes of items during the period	-	-	-	-	-	(15,923)	(33)	(15,957)
Balance at the end of the period	87,784	92,005	55,925	721	89,650	17,376	(12,144)	331,317

	Valuation and translation adjustments		Total net assets
	Valuation difference on available for-sale securities	Revaluation reserve for land	
Balance at the end of previous period	1,517	(334)	348,457
Total changes of items during the period			
Dividends from surplus			(23,728)
Net income			7,808
Purchase of treasury stock			(33)
Reversal of revaluation reserve for land			(3)
Net changes of items other than shareholders' equity	2,311	3	2,314
Total changes of items during the period	2,311	3	(13,643)
Balance at the end of the period	3,828	(331)	334,814

## Audit Reports

### Audit Report by Accounting Auditor regarding Consolidated Financial Statements

#### Audit Report from Independent Auditors

May 11, 2017

To The Board of Directors  
Nidec Corporation

PricewaterhouseCoopers Kyoto

Designated Partner			
Engagement Partner	Yukihiro	C.P.A.	Seal
Matsunaga			
Designated Partner			
Engagement Partner	Tsuyoshi	C.P.A.	Seal
Yamamoto			

We, PricewaterhouseCoopers Kyoto, audited Nidec Corporation's consolidated financial statements (i.e., consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, and consolidated notes on consolidated statements) for its consolidated fiscal year (April 1, 2016 – March 31, 2017) based on Article 444, Paragraph 4 of the Companies Act of Japan

#### Management's responsibility for consolidated financial statements

It is the management's responsibility to prepare and properly present consolidated financial statements in accordance with the latter part of Article 120, Paragraph 1 of Corporate Accounting Rules, which permits partial deletion of items to be disclosed based on the requirement of the designated international financial reporting standards. This task includes establishing and operating internal controls that the management determines to be necessary to prepare and properly present consolidated financial statements that are free of material misstatements due to fraud or error.

#### Accounting auditor's responsibility

It is PricewaterhouseCoopers Kyoto's responsibility to express its opinions on financial statements from an independent point of view based on the audit that it has performed. PricewaterhouseCoopers Kyoto has performed an audit based on an audit standard that is generally considered acceptable in Japan. The audit standard requires to prepare an audit plan and perform an audit based thereon in order to obtain reasonable guarantee on whether or not any material misstatement exists in consolidated financial statements.

During the course of the audit, a procedure is executed to obtain audit evidence of the amount of, and the disclosure of, consolidated financial statements. The audit procedure is selected and applied based on PricewaterhouseCoopers Kyoto's decision, on the basis of the risk assessment of presenting material misstatements in consolidated financial statements due to fraud or error. The purpose of the audit is not to represent any opinion on an internal control's effectiveness; however, the accounting auditor discusses internal controls related to preparing consolidated financial statements and proper presentation thereof in order to propose a proper audit procedure based on the circumstances. In addition, an audit includes discussion on presenting consolidated financial statements as a whole, including the assessment of the accounting policy and adopting method of the accounting policy introduced by the management as well as of the estimate performed by the management.

It is PricewaterhouseCoopers Kyoto's belief that it has obtained sufficient and proper audit evidence based on which it can express its opinions.

#### Opinion on the audit

PricewaterhouseCoopers Kyoto acknowledges that the aforementioned consolidated financial statements, made with partial omission of the items to be disclosed based on the designated international financial reporting standards in accordance with the latter part of Article 120, Paragraph 1 of Corporate Accounting Rules, which properly describes, in all important points, the assets, profit, and income of such consolidated financial statements of the corporate group consisting of Nidec Corporation and its consolidated subsidiaries.

#### Conflict of interest

No conflict of interest exists between the company and us, PricewaterhouseCoopers Kyoto, that is required by the Certified Public Accountant Law to be described.

Audit Report from Independent Auditors

May 11, 2017

To The Board of Directors  
Nidec Corporation

PricewaterhouseCoopers Kyoto

Designated Partner

Engagement Partner Yukihiro C.P.A. Seal  
Matsunaga

Designated Partner

Engagement Partner Tsuyoshi C.P.A. Seal  
Yamamoto

We, PricewaterhouseCoopers Kyoto, audited Nidec Corporation's consolidated financial statements (i.e., consolidated balance sheet, consolidated profit and loss statement, consolidated statements on shareholders' equity, and consolidated notes on consolidated statements) for its 44th consolidated fiscal year (April 1, 2016 – March 31, 2017) based on Article 436, Paragraph 2, Item 1 of the Companies Act of Japan.

Management's responsibility for financial statements

It is the management's responsibility to prepare and properly present financial statements and their schedules in accordance with generally accepted accounting standards in Japan. This task includes establishing and operating internal controls that the management determines to be necessary to prepare and properly present financial statements and their schedules that are free of material misstatements due to fraud or error.

Accounting auditor's responsibility

It is PricewaterhouseCoopers Kyoto's responsibility to express its opinions on financial statements and their schedules from an independent point of view based on the audit that it has performed. PricewaterhouseCoopers Kyoto has performed an audit based on an audit standard that is generally considered acceptable in Japan. The audit standard requires to prepare an audit plan and perform an audit based thereon in order to obtain reasonable guarantee on whether or not any material misstatement exists in financial statements and their schedules.

During the course of the audit, a procedure is executed to obtain audit evidence of the amount of, and the disclosure of, financial statements and their schedules. The audit procedure is selected and applied based on PricewaterhouseCoopers Kyoto's decision, on the basis of the risk assessment of presenting material misstatements in financial statements and their schedules due to fraud or error. The purpose of the audit is not to represent any opinion on an internal control's effectiveness; however, the accounting auditor discusses internal controls related to preparing financial statements and their schedules and proper presentation thereof in order to propose a proper audit procedure based on the circumstances. In addition, an audit includes discussion on presenting financial statements and their schedules as a whole, including the assessment of the accounting policy and adopting method of the accounting policy introduced by the management as well as of the estimate performed by the management.

It is PricewaterhouseCoopers Kyoto's belief that it has obtained sufficient and proper audit evidence based on which it can express its opinions.

## Opinion on the audit

PricewaterhouseCoopers Kyoto acknowledges that the aforementioned financial statements and their schedules comply with the corporate accounting standards that are generally accepted in Japan, and properly describes, in all important points, the assets, profit, and loss of the period of such financial statements and their schedules of the corporate group consisting of Nidec Corporation and its consolidated subsidiaries.

## Conflict of interest

No conflict of interest exists between the company and us, PricewaterhouseCoopers Kyoto, that is required by the Certified Public Accountant Law to be described.

## **Audit Report**

The Audit & Supervisory Board deliberated and prepared this audit report on the execution of the duties of the members to the Board of Directors for the 44th financial year (April 1, 2016 - March 31, 2017) based on the audit reports prepared by each Auditor, and reports as follows:

1. Auditing method of and audits by Auditors and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies and an audit plan for the fiscal year, received reports from Audit & Supervisory Board members on the status and the result of audits and reports from the members to the Board of Directors, important employees, etc., and the Accounting Auditor on the execution of their duties, and requested an explanation as necessary.
- (2) Each Audit & Supervisory Board member, in compliance with the auditor's audit standard and audit policies and plan, communicated with members to the Board of Directors and employees, etc. of internal auditing and other departments, gathered information, tried to establish appropriate environments, and conducted audit based on the following methods:
  - (i) Each Audit & Supervisory Board member also attended meetings of the Board of Directors and other important meetings, received reports from members to the Board of Directors, employees, and others on the execution of their duties, requested an explanation as necessary, viewed important approval requests and other documents, and investigated the statuses of work and assets at the Company's head office and its main offices, while communicating and exchanging information with the members of the Board of Directors and of Audit & Advisory Board, etc. of the Company's subsidiaries, and receiving business reports from those subsidiaries as necessary.
  - (ii) In addition, each Audit & Supervisory Board member regularly received a report from members to the Board of Directors, important employees, etc., requested an explanation as necessary, and expressed opinions on, the status of the establishment and the operation of the system (the internal control system) established based on the contents of a resolution from a meeting of the Board of Directors and the resolution itself concerning the creation of a system stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Companies Act as something necessary to ensure the proper execution of a business group comprising a corporation and its subsidiaries.
  - (iii) Each Audit & Supervisory Board member also supervised and inspected if the Accounting Auditors maintain their independence and perform audits properly, received reports from the Accounting Auditors on the execution of their duties, and requested an explanation as necessary. In addition, each Audit & Supervisory Board member received the notice from the Accounting Auditors that "A system that ensures proper execution of duties" (stipulated in each section of Article 131 of the Corporate Calculation Regulations) is in place based on "the quality control standard on audit" (based on the Business Accounting Council's decision on October 28, 2005) and other standards, and requested an explanation as necessary.

Then each Audit & Supervisory Board member deliberated the business reports and their annexed detailed statements, the financial statements (the balance sheet, the profit and loss statement, the statements on shareholders' equity, and the notes on the statements), and their annexed detailed statements as well as the consolidated financial statements (the consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in equity, and consolidated notes on consolidated statements, made with partial omission of the items to be disclosed based on the designated international financial reporting standards in accordance with the latter part of Article 120, Paragraph 1 of Corporate Accounting Rules) for the fiscal year based on the aforementioned methods

## 2. Audit result

### (1) Business report and other documents

- (i) The Audit & Supervisory Board certifies that the business report and its annexed detailed statements are in accordance with laws, regulations, and the Articles of Incorporation, and that these documents exhibit the Company's business condition properly.
- (ii) The Audit & Supervisory Board identified no material facts on either improper act concerning the execution of the duties of the members to the Board of Directors, or violation of any laws, regulations or the Articles of Incorporation.
- (iii) The Audit & Supervisory Board certifies that the resolutions from the meeting of the Board of Directors concerning an internal control system are appropriate. Also, the Audit & Supervisory Board has no issues to point out on the content of the business report and the execution of the duties of the members to the Board of Directors concerning the said internal control system.

### (2) Financial statement and annexed detailed statements

The Audit & Supervisory Board certifies that the auditing method and the audit result of the Company's Accounting Auditor, PricewaterhouseCoopers Kyoto, are appropriate.

### (3) Consolidated financial statements

The Audit & Supervisory Board certifies that the auditing method and the audit result of the Company's Accounting Auditor, PricewaterhouseCoopers Kyoto, are appropriate.

May 12, 2017

The Audit & Supervisory Board, Nidec Corporation

Ryuichi Tanabe	Fulltime outside member of the Audit & Supervisory Board	Seal
Osamu Narumiya	Fulltime member of the Audit & Supervisory Board	Seal
Tetsuo Inoue	Fulltime member of the Audit & Supervisory Board	Seal
Eisuke Nagatomo	Outside member of the Audit & Supervisory Board	Seal
Junko Watanabe	Outside member of the Audit & Supervisory Board	Seal