

# Notice of basic agreement concerning absorption-type merger of affiliated subsidiaries (Nidec Copal Electronics)

15/03/2013

Company name	NIDEC COPAL ELECTRONICS CORPORATION
Representative name	Sho Kikuchi, Chairman of the Board, President & Chief Executive Officer
Exchange	First Section of the Tokyo Stock Exchange (6883)
Inquiries	Masato Ono, Director and Corporate Officer
Telephone	03-3364-7071

## Notice of basic agreement concerning absorption-type merger of affiliated subsidiaries

This is to notify you that at today's meeting of the board of directors, Nidec concluded a Letter of Intent for an absorption-type merger with Fujisoku Corporation, which is a consolidated subsidiary.

Since this absorption-type merger concerns a 100% subsidiary, some disclosure items and contents are omitted.

### 1. Purpose of merger

Fujisoku is a 100% subsidiary whose main business is the manufacture and sales of switches.

The objectives of this merger are to promote the concentration of management resources and increased efficiency and speed of operations in order to strengthen global cost competitiveness and the management foundation of the electronic and mechanical component business, which is the primary business of this group.

### 2. Summary of the merger

#### (1) Merger schedule

Board of directors meeting to approve a letter of intent for the merger March 15,

2013 (Nidec and Fujisoku)

Conclusion of a letter of intent for the merger March 15, 2013 (Nidec and Fujisoku)

Board of directors meeting to approve the merger contract April 23, 2013

(scheduled) (Nidec and Fujisoku)

Conclusion of the merger contract April 23, 2013 (scheduled) (Nidec and Fujisoku)

Decision by general shareholders' meeting June 18, 2013 (scheduled) (Nidec)

Planned date of merger (Effective Date) October 1, 2013 (scheduled)

\* Due to the fact that this merger uses the simplified merger procedure based on Corporation Law Article 784 Paragraph 1 for Fujisoku, Fujisoku will not hold a general shareholders' meeting concerning approval of the merger contract.

(2) Merger type

This is an absorption-type merger, with Nidec as the surviving company and Fujisoku dissolved.

(3) Details of allocation concerning the merger

This is a merger with a 100% subsidiary. There is no issuance of new stock and no payment of money due to the merger.

(4) Handling of share options and bonds with share options

There are none.

3. Summary of companies involved in the merger

	NIDEC COPAL ELECTRONICS	
(1) Company names	CORPORATION (surviving company)	Fujisoku Corporation (merged company)

(2) Headquarters addresses	7-5-25 Nishishinjuku, Shinjuku Ward, Tokyo	24-12 Kizukisumiyoshicho, Nakahara Ward, Kawasaki, Kanagawa Prefecture
(3) Positions and names of representatives	Chairman of the Board, President & Chief Executive Officer Sho Kikuchi	Chairman of the Board, President & Chief Executive Officer Toru Kasai
(4) Business description	Manufacture and sale of electronic parts.	Manufacture, processing, and sale of electrical equipment and electronic devices as well as applied measurement instruments
(5) Capital	2,362 million yen	389 million yen
(6) Date of foundation	April 1, 1967	August 7, 1947
(7) Number of shares issued	66,452,000 shares	147,700 shares
(8) Settlement period	End of March	End of February
(9) Proportions of large shareholders and holding companies (As of September 30, 2012)	Nidec Corporation 65.31% Shigenobu Nagamori 3.08% Hideaki Sasaki 1.85% Copal Electronics Client stock ownership 1.29% Sumitomo Mitsui Banking Corporation 1.28%	NIDEC COPAL ELECTRONICS 100%
(10) Operating results and financial status for immediately preceding fiscal year	End of March 2012 (consolidated)	End of February 2012 (unconsolidated)
Net assets	27,237 million yen	308 million yen
Total assets	35,517 million yen	2,851 million yen
Net assets per share	408 yen 13 sen	2,089 yen 94 sen
Sales amount	29,118 million yen	3,663 million yen
Operating income	4,194 million yen	427 million yen
Ordinary profit	4,197 million yen	410 million yen
Current net income	2,706 million yen	607 million yen

Current net income per  
share

40 yen 82 sen

4,114 yen 91 sen

#### 4. Status after merger

There is no change in company name, address, position and name of representative, business description, capital, or accounting period due to this merger.

#### 5. Future prospects

This merger is with a 100% Nidec subsidiary and minimal impact on Nidec's corporate performance is anticipated. The details are currently under careful examination. If in the future, it becomes clear that it is necessary to revise the performance forecast or that there are items that need to be disclosed, then we will notify you of these promptly.