
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
- OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2011
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
- OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 333-13896

Nihon Densan Kabushiki Kaisha

(Exact name of Registrant as specified in its charter)

NIDEC CORPORATION

(Translation of Registrant's name into English)

Japan (Jurisdiction of incorporation or organization)	338 Kuzetonoshiro-cho, Minami-ku, Kyoto 601-8205 Japan (Address of principal executive offices)
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Masahiro Nagayasu, +81-75-935-6140, ir@jp.nidec.com, address is same as above
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock* American Depositary Shares each representing one-fourth of one share of common stock	New York Stock Exchange New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of March 31, 2011, 145,075,080 shares of common stock were outstanding, including 2,324,735 shares represented by 9,298,940 American Depositary Shares and 6,593,647 shares held in treasury.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

* Not for trading, but only in connection with the listing of the American Depositary Shares.

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As used in this annual report, unless otherwise specified, references to “Nidec” are to Nidec Corporation, and references to “we,” “our” and “us” are to Nidec Corporation and, except as the context otherwise requires, its consolidated subsidiaries.

As used in this annual report, “U.S. dollar” or “\$” means the lawful currency of the United States of America, “yen” or “¥” means the lawful currency of Japan, “THB” means the lawful currency of Thailand, “RMB” means the lawful currency of People’s Republic of China, and “MXN” means the lawful currency of the United Mexican States.

As used in this annual report, “U.S. GAAP” means accounting principles generally accepted in the United States, and “Japanese GAAP” means accounting principles generally accepted in Japan.

As used in this annual report, “ADS” means an American Depositary Share, and “ADR” means an American Depositary Receipt.

In tables appearing in this annual report, figures may not add up to totals due to rounding.

Special Note Regarding Forward-looking Statements

This annual report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our business, our industry and capital and financial markets around the world. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “anticipate,” “estimate,” “plan” or similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors could cause the actual results to differ materially from those contained in any forward-looking statement. We cannot promise that our expectations expressed in these forward-looking statements will turn out to be correct. Our actual results could be materially different from and worse than our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are set forth in “Risk Factors” and elsewhere in this annual report and include, but are not limited to:

- general economic conditions in the computer and other information technology, consumer electronics, industry machinery, automobile and related product markets, particularly levels of consumer spending and capital expenditures by companies;
- our ability to design, develop, mass produce and win acceptance of our products, particularly those that use the hard disk spindle motor technology, which are offered in highly competitive markets characterized by continual new product introductions and rapid technological development;
- abrupt changes in our customers’ market position, particularly as a result of mergers and acquisitions;
- our ability to acquire and successfully integrate companies with complementary technologies and product lines;
- increase in raw material and labor costs;
- exchange rate fluctuations, particularly between the Japanese yen and the U.S. dollar and other currencies in which we make significant sales or in which our assets and liabilities are denominated;
- adverse changes in laws, regulations or economic policies in any of the countries where we have manufacturing operations; and
- any negative impacts on our businesses from natural or human-caused disasters and other incidents beyond our control in the countries where we have production plants.

PART I

Item 1. Identity of Directors, Senior Management and Advisers.

Not applicable.

Item 2. Offer Statistics and Expected Timetable.

Not applicable.

Item 3. Key Information.

A. Selected Financial Data.

The following table includes selected historical financial data for the fiscal years ended March 31, 2007 through 2011 derived from our audited consolidated financial statements prepared in accordance with U.S. GAAP. You should read the selected financial data below in conjunction with Item 5 of this annual report and our audited consolidated financial statements which are included elsewhere in this annual report.

Selected Financial Data

	Year ended March 31,					
	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾	2011	2011
	(Yen in millions and U.S. dollars in thousands, except number of shares outstanding and per share amounts)					
Income statement data:						
Net sales.....	¥611,341	¥724,361	¥610,803	¥586,029	¥688,530	\$8,280,577
Cost of products sold.....	468,692	567,679	480,475	435,035	513,170	6,171,618
Selling, general and administrative expenses.....	45,025	49,702	51,488	48,025	56,845	683,643
Operating income.....	65,780	77,397	52,015	78,513	90,527	1,088,719
Income from continuing operations before income taxes.....	67,437	64,089	47,270	75,183	79,525	956,404
Net income attributable to Nidec Corporation.....	39,932	41,156	28,353	51,961	52,333	629,381
Balance sheet data (period end):						
Total assets.....	¥662,623	¥671,714	¥702,884	¥692,791	¥748,205	\$8,998,256
Short-term borrowings.....	78,848	68,854	221,342	115,467	52,018	625,592
Current portion of long-term debt.....	3,216	29,196	1,883	1,497	1,124	13,518
Long-term debt.....	31,560	3,430	2,578	1,745	101,819	1,224,522
Total Nidec Corporation shareholders' equity.....	305,016	319,584	297,148	340,309	355,250	4,272,400
Common stock.....	65,868	66,248	66,551	66,551	66,551	800,373
Number of shares outstanding.....	144,780,492	144,987,492	145,075,080	145,075,080	145,075,080	145,075,080
Per share data:						
Income from continuing operations per share-basic.....	¥281.37	¥288.57	¥215.10	¥380.43	¥391.94	\$4.71
Loss on discontinued operations per share-basic.....	(5.34)	(4.57)	(17.68)	(7.39)	(16.03)	(0.19)
Net income attributable to Nidec Corporation per share-basic.....	276.03	284.00	197.42	373.04	375.91	4.52
Income from continuing operations per share-diluted.....	273.44	280.73	211.53	380.43	378.27	4.55
Loss on discontinued operations per share-diluted.....	(5.19)	(4.44)	(17.41)	(7.39)	(15.47)	(0.19)
Net income attributable to Nidec Corporation per share-diluted.....	268.25	276.29	194.12	373.04	362.80	4.36
Cash dividends paid per share.....	40.00	50.00	60.00	55.00	80.00	0.96

Note:

(1) As of December 31, 2008, we discontinued our optical pickup unit, or OPU, business which had previously been included within the "electronic and optical components" product category. As of September 30, 2009, we discontinued our semiconductor manufacturing equipment, or SME, business which had previously been included within the "machinery" category. As of March 31, 2011, we discontinued our specialty lens unit, or SLU, business which had previously been included within the "electronic and optical components" category. The operating results of the OPU, SME and SLU businesses and exit costs with related taxes were recorded as "net loss on discontinued operations" in our audited consolidated statements of income in accordance with ASC 205-20 "Presentation of Financial Statements-Discontinued Operations". All prior period OPU, SME and SLU amounts in the above table, except for the balance sheet data, have also been so reclassified as to enable comparisons between the relevant amounts for the fiscal years ended March 31, 2007 through 2010.

Fluctuations in exchange rates between the Japanese yen and the U.S. dollar and other currencies will affect the U.S. dollar and other currency equivalents of the yen price of our shares and ADSs and the U.S. dollar amounts received on conversion of cash dividends. We have translated some Japanese yen amounts presented in this annual report into U.S. dollars solely for your convenience. Unless otherwise noted, the rate used for the translations was ¥83.15 per \$1.00, which was an approximate exchange rate in Japan on March 31, 2011. These translations do not imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in U.S. dollars at these rates or at all.

	<u>High</u>	<u>Low</u>	<u>Average</u>	<u>Period-end</u>
Year ended March 31,				
2007	121.81	110.07	116.92	117.56
2008	124.09	96.88	114.31	99.85
2009	110.48	87.80	100.62	99.15
2010	100.71	86.12	92.93	93.40
2011	94.68	78.74	85.71	82.76
Calendar period				
December 2010	84.23	81.67	83.34	81.67
January 2011	83.36	81.56	82.63	81.97
February 2011	83.79	81.48	82.54	81.94
March 2011	82.98	78.74	81.65	82.76
April 2011	85.26	81.31	83.18	81.31
May 2011	82.12	80.12	81.12	80.75

The above table presents the noon buying rates for Japanese yen per \$1.00 in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for and as of the end of each period indicated.

As of June 10, 2011, the noon buying rate was ¥80.26 per \$1.00.

B. Capitalization and Indebtedness.

Not applicable.

C. Reasons for the Offer and Use of Proceeds.

Not applicable.

D. Risk Factors.

If any of the risks described below actually occurs, our business, financial condition or results of operations could be adversely affected.

Our customer base is highly concentrated, and our sales would suffer if one or more of our significant customers substantially reduce or cancel orders for our products.

We are dependent on a limited number of large customers for a substantial portion of our net sales. Sales to our largest customer, Seagate Technology LLC, were approximately 10%, 11% and 9% of total net sales for the fiscal years ended March 31, 2009, 2010 and 2011, respectively. Sales to our top six customers represented approximately 36%, 41% and 36% of our net sales for the fiscal years ended March 31, 2009, 2010 and 2011, respectively, and the six customers also represented ¥36.7 billion, or 33%, ¥61.6 billion, or 41%, and ¥50.9 billion, or 33%, of our gross accounts receivable at March 31, 2009, 2010 and 2011, respectively. Most of our sales to the six largest customers relate to motors used in hard disk drives, or HDDs. Several of our top six customers have announced business combination transactions, upon the completion of which our customers will be further concentrated with the top two customers expected to account for approximately 25% of our net sales, based on our net sales for the fiscal year ended March 31, 2011. As a result of customer concentration, our net sales could be significantly impacted in the event of:

- a significant reduction, delay or cancellation of orders from one or more of our significant customers,
- a decision by one or more of our significant customers to select products manufactured or technologies developed by a competitor, or its own internally developed components, for inclusion in future product generations, or
- financial difficulties affecting one or more of our significant customers.

We expect that, for the foreseeable future, sales to a limited number of customers will continue to account for a high percentage of our net sales. If current customers do not continue to place orders, we may not be able to replace those orders with orders from new customers, and this would significantly impact our business, operating results and financial condition.

In addition, because there are only a limited number of hard disk drive manufacturers in the world, if one or more of our customers merge with or are otherwise acquired by another hard disk drive manufacturer, our business could be adversely affected to the extent that the downward pricing pressure increases or actual or potential sales are lost as a result of the surviving manufacturer's decision not to purchase our products.

Because of our dependence on the computer industry, our business may be adversely affected by a decline in the computer market.

A substantial portion of our net sales depends on sales of computers and computer peripherals that incorporate our products, including small precision motors. Although we have been diversifying our products and entering into new markets, such as motors for use in home appliances and automobiles, we expect to continue to derive a significant portion of our revenues from the sale of products for use in computers and computer peripherals. The markets for computers and computer peripherals are cyclical and have been characterized by:

- rapid technological change,

- emergence of new processes for or approaches to data storage,
- frequent new product introductions and short product life cycles,
- significant price competition and price erosion,
- fluctuating inventory levels,
- alternating periods of over-capacity and capacity constraints due, in part, to cyclical and seasonal market patterns,
- variations in manufacturing costs and yields, and
- significant expenditures for manufacturing equipment and product development.

If any of the foregoing factors leads to a decline in the market for computers and computer peripherals, our net sales could decrease, and our results of operations could be materially and adversely affected.

We derive a substantial portion of our net sales from sales of spindle motors for hard disc drives, and a decrease in demand for, or prices of, HDDs could harm our business.

Net sales of spindle motors for HDDs in computers, and digital home appliances, such as DVD recorders, were 29.7%, 34.8%, and 28.5% of our total net sales in the fiscal years ended March 31, 2009, 2010, and 2011, respectively. Reduced demand for, or lower prices of, HDDs could result in a decrease in our net sales, adversely affecting our results of operations.

During an economic downturn, manufacturers of HDDs may suspend or reduce purchases of additional inventory from suppliers such as us. The rate of decline in average selling price accelerates when manufacturers lower prices to absorb excess capacity, liquidate excess inventories, restructure or attempt to increase their market share.

Many of our customers implement a just-in-time inventory control system. Accordingly, we generally maintain inventory at or near our customers' production facilities based on estimated demand. Our inventory was ¥69.5 billion at March 31, 2010 and ¥90.4 billion at March 31, 2011. A substantial amount of capital and cost is required to maintain inventory sufficient to meet orders from our customers in a timely manner. In addition, our estimates of future customer demand may prove excessive, exposing us to the risk of unsold inventory becoming obsolete and prices of our products being reduced.

Demand for HDDs may decline as a result of a shift in the computer industry to alternative storage technologies, such as solid-state drives, or SSDs. For example, demand for HDDs may decline if small portable PCs using HDDs are replaced by smart phones, tablet devices and other products, using SSDs, with functions overlapping with those of PCs. If the price per memory capacity for SSDs or other alternative technologies is reduced in the future to a level competitive with that for HDDs, demand for HDDs could decline, which in turn could result in reduced sales of our spindle motors.

HDD manufacturers may merge or otherwise restructure their operations and, as part of their restructurings, may seek to reduce costs and inventories. Such restructurings may result in increasing downward pressure on spindle motor prices, which could reduce our margins. Our customers may also re-allocate their procurement orders to our competitors, which could reduce our sales volumes. Such restructurings or similar moves by HDD manufacturers could have a material negative impact on our results of operations.

We are facing downward pricing pressure in all markets where we provide our products, and price declines could reduce our revenues and gross margins.

We expect downward pricing pressure to continue in all markets where we provide our products. The hard disk drive industry, where competition is particularly harsh, is characterized by rapidly declining selling prices over the life of a product even for those products which are competitive and timely to market. For example, the average unit price of our spindle motors for HDDs on a Japanese yen basis decreased by approximately 15%, 15% and 8% during the fiscal years ended March 31, 2009, 2010 and 2011, respectively. On a U.S. dollar basis, the average unit price of our spindle motors for HDDs decreased by approximately 3%, 8% and 1% during the fiscal years ended March 31, 2009, 2010 and 2011, respectively. In general, the selling price of a spindle motor decrease over time as the supply of such products increases and as the existing technology becomes obsolete. Also, intense price competition among customers may pressure us to lower the prices of our products while the price of raw materials used in our products may increase due to rising demand for such raw materials in emerging economies, which may make it difficult for us to maintain the current level of profitability. If we are not able to achieve cost reductions, or develop new products with lower production costs, our business, financial condition and results of operations could be adversely impacted.

Also, the general purchaser preference particularly in the computer market is steadily shifting from higher-priced end-products to lower-priced end-products. If this trend further accelerates, or if the trend continues significantly longer than our expectation, there may be additional downward pricing pressure on our products, and our results of operations may be adversely affected.

If raw materials or components for our products are not available in quantities or at prices that we expect, our production could be significantly harmed.

We rely on third party suppliers for some of the raw materials, such as aluminum and rare earth materials, and some of the components, such as connectors, electric circuits, magnets and other unit assemblies, used in our manufacturing processes. Our production capacity will be limited if one or more of these materials or components become unavailable or available in reduced quantities due to increased prices for such materials. Financial or operational disruptions or slowdowns suffered by our principal suppliers or shippers, may negatively affect the availability of raw materials or components. In addition, governmental action that adds conditions to the use of raw materials or components or imposes additional disclosure or other regulatory compliance requirements relating to such materials or components may also affect their availability. We may have to devote significant resources to secure alternative suppliers or shippers, find substitutes for such materials or components, or develop designs and technologies that reduce or eliminate the need for such materials or components. If our sources of materials and supplies are unavailable for a significant period of time without any such substitute, design or technology, our operating results will be adversely affected.

We face aggressive competition both in the markets where we supply our main products and in the markets into which we are attempting to expand our business, which could have a material adverse effect on our business and results of operations.

In the markets where we supply our main products, including small precision motors, we are under intensive price competitive pressure to reduce our prices as our competitors attempt to expand their market shares. In the markets in which we are attempting to expand our market share, including the home appliances and automobile parts markets, we compete with competitors that may have larger financial, research and development, manufacturing, sales, marketing and service capabilities and sources of support than we do, and that may also have established market recognition and long-standing customer relationships. In emerging markets, including those for electric and hybrid vehicle control systems, we also face severe competition with other new market entrants as they seek to expand their market shares.

To maintain our competitiveness in the markets where we supply our main products, and to enhance our competitiveness in the markets into which we are attempting to expand our business, we believe that we should maintain, or may need to increase, our substantial level of investment in research and development, expand our production, sales and marketing capabilities, enhance services and support, timely develop new products, and further improve our existing products.

We may not be able to successfully compete in all or some of our markets in the future if:

- any of our markets develops faster than our expectations due to rapidly increasing demand or otherwise, causing our market share to decline relative to our competitors who are able to better meet increasing demand or otherwise cope with developing markets;
- we are unable to achieve technological advancement necessary for our products to be accepted in the markets;
- our competitors' competitive efforts result in technological innovations, improved manufacturing efficiencies or enhanced research and developmental capabilities, rendering our products and technologies obsolete or uncompetitive;
- mergers or consolidations among our competitors result in a relative decline in our competitive position; or
- we are unable to obtain financial, technological, human and other resources necessary to maintain or enhance our investments.

Our failure to maintain or enhance our competitive position could result in reduced profitability.

We may be unable to commercialize customized products that satisfy customers' needs, or our customers may be unable to commercialize products that incorporate our products, which could damage our reputation and reduce sales.

Our customers generally require us to provide customized products within a set delivery timetable. If we are unable to commercialize new product lines including design, manufacture and delivery of customized products, we will not be able to meet our customers' needs. Any future failure to meet significant customer requirements could damage our reputation, result in a decline in our market share and reduction of our sales and profit ratio, and impede the business development of these new products and the expansion of the products' markets.

In addition, if a customer fails to successfully commercialize or sell products that incorporate in them any customized product which we have invested significant resources to develop, our business and results of operations would be materially adversely affected.

If any defect is discovered in our products, or if any of the end-products in which our products are incorporated malfunctions, our reputation and results of operations may suffer by lost sales or costs associated with recalls or management distraction.

We manufacture complex, state-of-the-art motors and other electronic products and, as a result, are exposed to potential warranty and product liability claims arising from alleged or actual defects in our products in the normal course of business. In particular, widespread malfunction of any end-product in which our products are incorporated may lead to consumer dissatisfaction, recalls and, potentially, lawsuits. In the

automobile motor and other parts markets, where we seek to expand our business, strict safety standards are imposed by applicable regulations and demanded by the public as malfunctioning vehicles could result in serious property damage, personal injuries and even death. If such malfunction is caused by or attributed or alleged to be attributed to defects in our products, our brand image could be damaged, we might be subject to adverse regulatory action or drawn into disputes with our customers, or our results of operations might be adversely affected by lost sales or costs associated with recalls. In addition, significant financial and human resources might be incurred, and management's attention might be diverted, if we are required to defend ourselves against legal claims.

We generally maintain insurance against product liability claims, but our insurance coverage may not be adequate for any potential liability ultimately incurred. In addition, insurance could become unavailable in the future on terms acceptable to us. A successful claim that exceeds our available insurance coverage or a significant product recall could have a material adverse impact on our financial condition and results of operations.

We rely to a large extent on production and sales in developing countries which may become politically or economically unstable and face risks resulting from unanticipated developments in those countries.

We manufacture and sell a large percentage of our products at locations in developing countries such as China, Thailand, the Philippines, Vietnam, Malaysia, Mexico, and Indonesia, in order to take advantage of more competitive production and sales costs and develop new markets for our products. These countries are still in the process of developing their economic, social and other infrastructures and are susceptible to various uncertainties. The political, social and economic situations of these countries may not continue to provide an environment in which we can continue to manufacture our products cost-efficiently in proximity to our customers. The governmental authorities of those countries may impose regulations or restrictions that would make it difficult, impractical or impossible, whether economically, legally or otherwise, for us to conduct our business there.

Furthermore, business activities overseas exposes us to the following various risks related to foreign business transactions, and these risks may adversely affect our business, operating results, and financial condition:

- economic slowdown or downturn in the relevant industries in foreign markets,
- international currency fluctuations,
- general strikes or other disruptions in working conditions,
- labor shortage and the labor cost increase, especially in China and Thailand,
- political instability,
- changes in trade restrictions and tariffs,
- the difficulties associated with staffing and managing international operations,
- generally longer receivables collection periods,
- unexpected changes in or imposition of new legislative or regulatory requirements,
- relatively limited protection for intellectual property rights in some countries,

- potentially adverse taxes,
- cultural and trade differences,
- additional cost of products exported overseas, including tariffs, shipping costs, and other duties and impositions, which may make our products less competitive in terms of price, and
- significant time and capital required for expanding overseas businesses before achieving capital return.

Our quarterly operating results do not necessarily indicate a trend of our future operating results.

We have experienced, and expect to continue to experience, fluctuations in sales and operating results from one quarter to the next. As a result, we believe that quarter-to-quarter comparisons of our operating results are not necessarily meaningful, and that such comparisons cannot be relied upon as indicators of future performance. Our operating results may be subject to significant quarterly fluctuations as a result of the various factors, including:

- fluctuations in product demand as a result of the cyclical and seasonal nature of the industries in which our products are sold and used, including the computer industry,
- translation effect of exchange rate fluctuations on the results of our overseas subsidiaries and monetary assets and liabilities denominated in foreign currencies,
- the availability and extent of utilization of our manufacturing capacity,
- changes in our product, customer, or competitor mix, which can occur on short notice,
- cancellation or rescheduling of significant orders, which can occur on short notice;
- deferrals of customer orders in anticipation of new products, and
- component and raw material costs and availability, particularly with respect to components obtained from sole or limited sources which can occur on short notice.

Because our production and inventory are planned in advance of anticipated customer demand, if actual demand is significantly smaller than projected, we may suffer losses.

We typically plan our production and inventory levels based on customers' advance orders, commitments or forecasts, as well as our internal assessment and forecasts of customer demand, which are highly unpredictable and can fluctuate substantially, especially if competition becomes more intense or the demand is reduced due to seasonality or other factors. In order to secure sufficient production scale and productivity, we may make capital investments in advance of anticipated customer demand. We plan to make additional capital investments to expand our manufacturing capabilities particularly in emerging economic regions. If our manufacturing capabilities are under-utilized due to lower demand for our products, unavailability of raw materials or components, or for any other reason, such under-utilization could result in increases in utilization costs, depreciation expenses, impairment losses and inventory valuation losses and could have a greater material adverse impact on our results of operations and financial condition.

In addition, in anticipation of long lead times to obtain inventory and materials from our suppliers, we

may also from time to time order materials in advance of anticipated customer demand. This advance investment and ordering may result in excess inventory levels, resulting in unanticipated inventory write-downs if expected orders fail to materialize. As of March 31, 2011, our inventory was 30.0% higher than it was as of March 31, 2010.

In addition, our operating expenses are relatively fixed, and we thus have limited ability to reduce expenses quickly in response to any revenue shortfalls resulting from a decrease in demand. Consequently, our operating results will be harmed if our revenues do not meet our revenue projections.

Our growth has been based in part on acquisitions of, or investments in, other companies, and our future growth could be adversely affected if we make acquisitions or investments that fail to achieve their intended benefits, or if we are unable to find suitable acquisition or investment targets.

We have achieved much of our growth by acquiring and otherwise investing in other companies that have provided us with complementary technologies and product lines. From time to time, we intend to seek and pursue appropriate opportunities for acquiring and investing in other companies and increasing our ownership interests in the existing affiliates and joint ventures. To the extent that we are unable to make successful acquisitions or investments, we may not be able to continue to expand our product range and our growth rates could be adversely affected.

Critical to the success of our acquisitions is the ordered, efficient integration of acquired businesses into our organization, which has in the past required, and may continue to require, significant resources. Our acquisitions may not generate the operational and financial returns we expect. The success of our future acquisitions will depend upon factors such as:

- our ability to manufacture and sell the products of the businesses acquired,
- continued demand for these acquired products by our customers,
- our ability to integrate the acquired businesses' operations, products and personnel,
- our ability to retain key personnel of the acquired businesses,
- our ability to extend our financial and management controls and reporting systems and procedures to acquired businesses,
- accuracy of financial due diligence, and
- our ability to identify possible liabilities that could negatively affect our business, operations or reputation during the due diligence process.

Our new and additional investments in other companies are subject to other uncertainties that may have a material adverse impact on our business. For example, the fair value of our investments in other companies may be impaired if their business results deteriorate, or as a result of a decline in the fair value of their securities that is other than temporary. Changes in economic policies of local governments, laws and regulations, and accounting rules applicable to companies in which we invest may also have a significant adverse effect on our financial results. In addition, in cases where we have a non-controlling interest in an investee, we typically cannot control the operations and the assets of the investee or make major decisions without the consent of other shareholders, or participants, or at all, or acquiring a controlling interest by increasing our shareholding interest.

Failure to succeed in acquisitions or investments, or an inability to find suitable acquisition or

investment targets, could have a material adverse effect on our business, results of operations and financial condition.

Our growth places strains on our managerial, operational and financial resources.

Our future success depends on our ability to expand our organization in line with the growth of our business, including the integration of recently added subsidiaries within the Nidec group. However, our growth has placed, and is expected to continue to place, a significant strain on our managerial, operational and financial resources. Our recent acquisitions and any further growth by us or our subsidiaries or affiliates, or an increase in the number of our strategic relationships, will increase this strain on our managerial, operational and financial resources. This strain may inhibit our ability to achieve the rapid execution necessary to successfully implement our business plan.

We rely on our founder, President and CEO, Mr. Shigenobu Nagamori, the loss of whom could have a material adverse effect on our business.

Our continued success will depend to a significant extent on the efforts and abilities of our founder and current President and CEO, Mr. Shigenobu Nagamori. Mr. Nagamori is actively engaged in our management and determines our strategic direction, especially with regard to acquisition activities. While we are in the process of establishing a management structure designed to reduce our dependence on Mr. Nagamori, his sudden departure or reduced attention to us could have a material adverse effect on our operations, financial condition and operating results.

Any material failure to successfully achieve our corporate objectives or business strategies due to changes in the economic environment or otherwise may have an adverse impact on our reputation and business.

One of our major corporate objectives is to contribute to society, and we endeavor to implement various policies to further this objective, including those intended to provide a stable employment environment and create new jobs. We believe such objectives and policies contribute significantly to building a positive corporate image and brand.

While endeavoring to achieve our corporate objectives, we pursue business strategies that include, among others, improving profitability primarily through cost reduction measures and simultaneously seeking growth opportunities through expansion of our customer base and product lines. We may be, however, unable to achieve the profitability or returns expected by management. Changes in the business and economic environments in which we currently operate or aim to operate and other uncertain or unforeseen factors may make it difficult for us to achieve the targets management has set.

If we are unable to achieve our corporate objectives due to such difficulty, or are compelled by economic or other factors to adopt measures that are inconsistent with our corporate objectives, we may lose credibility, and our corporate brand may be diminished, adversely affecting our business and results of operations.

We rely on monthly financial data from operating segments that are not prepared on a U.S. GAAP basis and are not comparable between segments, which potentially reduces the usefulness of this data to us in making management decisions.

We assess our performance and make operating decisions based on financial information received

from the 14 operating segments and others that we report in our consolidated financial statements: Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec (Zhejiang) Corporation, Nidec (Dalian) Limited, Nidec Singapore Pte. Ltd., Nidec (H.K.) Co., Ltd., Nidec Philippines Corporation, Nidec Sankyo Corporation, Nidec Copal Corporation, Nidec Tosok Corporation, Nidec Copal Electronics Corporation, Nidec Techno Motor Holdings Corporation, Nidec Motor Corporation and Nidec Motors & Actuators. This segmental information is prepared in accordance with the accounting principles in each segment's respective country of domicile. For example, Nidec Corporation's operating profit or loss is determined using Japanese GAAP while Nidec Singapore Pte. Ltd. applies Singaporean accounting principles. Therefore, our segment data has not been prepared under U.S. GAAP on a basis that is consistent with the consolidated financial statements or on any other single basis that is consistent between segments.

In addition, year-end closing adjustments and other items are not included in segment totals. These aspects of our segment data could make it more difficult for us to evaluate the relative performance of individual segments and our overall operations in a timely manner, as compared with segment data compiled on a uniform U.S. GAAP basis.

We are subject to various laws and regulations, and our failure to comply may harm our business.

We conduct our business subject to ongoing regulation and associated regulatory compliance risks, including the effects of changes in laws, regulations, policies, voluntary codes of practice, accounting standards and interpretations in Japan and other countries in which we conduct our business. As we expand the range of our products and the geographical scope of our business, we will be exposed to risks that are unique to particular industries, markets or jurisdictions. Our compliance risk management systems and programs may not be fully effective in preventing all violations of laws, regulations and rules.

Our business activities are subject to a wide range of environmental laws and regulations in Japan, Asia, the Americas, Europe and other areas. These laws and regulations include those relating to discharge of chemicals into the air and water, management, treatment and disposal of hazardous substances and wastes, product recycling, prevention of global warming and the obligation to investigate and clean up soil and groundwater contamination. Many of our operations require environmental permits, the terms of which may impose limits on our manufacturing activities and require the incurrence of costs to achieve compliance, and which may be subject to modification, renewal and revocation by the issuing authorities. We may be held responsible for payments or other compensation for noncompliance with or otherwise pursuant to applicable environmental laws, regulations and permits, in which case our reputation as well as our results of operations could be adversely affected. Moreover, if these laws, regulations and permits become more stringent in the future, the amount of capital expenditures and other expenses which might be required to complete remedial actions and to continue to comply with applicable environmental laws, regulations and permits could increase and be significant, which would materially and adversely affect our business, financial condition and results of operations.

Our business activities are also subject to various other governmental regulations, both local and international, including antitrust, anti-bribery, intellectual property, consumer protection, taxation, export regulations, tariffs, foreign trade and exchange controls. Because our sales are mostly derived from small precision motor sales and because we have a dominant market share globally for small precision motors, any regulatory development or measure that affects sales or manufacturing of small precision motors in particular could reduce our sales or otherwise negatively affect our business. In addition, as our common stock is listed on the Tokyo Stock Exchange and the Osaka Securities Exchange, and American Depositary Shares representing shares of our common stock are listed on the New York Stock Exchange, we must also comply with applicable securities laws and regulations and accounting standards. Compliance with these and other applicable laws, regulations and standards could require significant financial, human and other resources. Moreover, our failure or inability to comply fully with these and other applicable laws, regulations and standards could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in

extreme cases, withdrawal of authorization to operate, adversely affecting our business and results of operations.

In addition, future developments or changes in laws, regulations, policies, voluntary codes of practice, accounting standards, fiscal or other policies and their effects are unpredictable and beyond our control. Such developments and changes may require additional financial, administrative and human resources.

We have experienced and may in the future experience difficulties implementing effective internal controls over financial reporting.

As a public company, it is essential for us to have effective internal controls, corporate compliance functions, and accounting systems to manage our assets and operations. Moreover, under the U.S. Sarbanes-Oxley Act of 2002, which applies by reason of our status as a company subject to the reporting obligations under the U.S. Securities Exchange Act of 1934, we are required to establish internal control over our financial reporting, and our management is required to assess the effectiveness of our internal control over financial reporting and disclose whether such internal control is effective. Our independent registered public accounting firm must also conduct an audit on the effectiveness of our internal control over financial reporting. We are also subject to regulations on internal control over financial reporting under Japanese law.

Designing and implementing an effective system of internal controls capable of monitoring and managing our business and operations requires significant management, human and other resources. Once we identify any significant deficiencies or material weaknesses in our internal control systems, we may require additional resources and incur additional costs for remediating such deficiencies or weaknesses.

Furthermore, if management determines that our internal control over financial reporting is not effective for any period, we may be unable to timely file reports required under the U.S. Securities and Exchange Act of 1934, and our market perception could be negatively affected. Depending on the severity of, and causes and other factors relating to, a material weakness in internal control over financial reporting, we could be subject to liabilities or sanctions, including enforcement action by the SEC for violations of the U.S. securities laws and by the Japanese Financial Services Agency for violations of the Financial Instruments and Exchange Law. In addition, we could be restricted in our ability to access U.S., Japan and other markets for capital raising.

We could be harmed by litigation involving patents and other intellectual property rights.

We have patent protection on certain aspects of our technology and also rely on trade secret, copyright and trademark laws, as well as contractual provisions, to protect our proprietary rights. We face the following risks:

- we could incur substantial costs in defending against claims of infringement of the intellectual property of others and such claims could result in damage awards against us, in orders to pay for the use of previously unrecognized third-party intellectual property or in injunctions preventing us from continuing aspects of our business, which could in turn have a material adverse effect on our business, financial condition and results of operations;
- our protective measures may not be adequate to protect our proprietary rights;
- other parties, including competitors with substantially greater resources, may independently develop or otherwise acquire equivalent or superior technology, and we may be required to pay royalties to license the intellectual property of those parties;

- patents may not be issued pursuant to our current or future patent applications, and patents issued pursuant to such applications, or any patents we own or have licenses to use, may be invalidated, circumvented or challenged;
- the rights granted under any such patents may not provide competitive advantages to us or adequately safeguard and maintain our technology;
- we could incur substantial costs in seeking enforcement of our patents against infringement or the unauthorized use of our trade secrets, proprietary know how or other intellectual property by others; and
- the laws of foreign countries in which our products are manufactured and sold may not protect our products and intellectual property rights to the same extent as the laws of Japan and the United States, and such laws may not be enforced in an effective manner.

For specific information relating to the intellectual properties disputes that could have an adverse effect on our results of operations, see Item 4.B. “Business Overview—Legal Proceedings.”

Leaks of confidential information may adversely affect our business.

In the normal course of business, we possess personal and other confidential information on our customers, other companies and other third parties with whom we do business as well as our own confidential information and personal information of our employees. Although we have security measures in place to protect such information, we may be subject to liability or regulatory action if any of such information is leaked due to human or technical error, unauthorized access or other illegal conduct, or otherwise. Failure to protect confidential information could also lead to a loss of our competitive advantage and customer and market confidence in us, adversely affecting our business, financial condition and results of operations.

In addition, there is a risk that our confidential information may be leaked due to human or technical error or illegal conduct by a third party or other causes that are beyond our control. In such cases, including where our competitive advantage is lost because of the leak, our business, financial condition or results of operations may be adversely affected.

For our business to continue effectively, we will need to attract and retain qualified personnel.

Our business depends on the continued employment of our senior management, engineers and other technical personnel, many of whom would be extremely difficult to replace. To maintain our current market position and support future growth, we will need to hire, train, integrate and retain significant numbers of additional highly skilled managerial, engineering, manufacturing, sales, marketing, support and administrative personnel. Competition worldwide for such personnel is extremely intense, and we and our affiliates may be unable to attract and retain such additional personnel.

Losses relating to our pension plans and a decline in returns on our plan assets may negatively affect our results of operations and financial condition.

We have defined benefit pension plans covering substantially all employees in Japan who meet eligibility requirements. We may incur losses if the fair value of our pension plans’ assets declines, if the rate of return on our pension assets declines, or if there is a change in the actuarial assumptions on which the calculations of the projected benefit obligations are based. We may also experience unrecognized service costs in the future due to amendments to existing pension plans. Changes in the interest rate environment and other

factors may also adversely affect the amount of unfunded pension obligations and the resulting annual amortization expense. In addition, the assumptions used in the computation of future pension expenses may not remain constant.

If our goodwill and long-lived assets become impaired, we may be required to record impairment charges, which would adversely affect our financial results.

We have substantial goodwill and long-lived assets, including plants, property and equipment. In connection with any acquisition we make in the future, we may record additional goodwill depending on the terms of the acquisition. In accordance with U.S. GAAP, we review goodwill for impairment annually and goodwill and long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is tested by initially estimating fair value and then comparing it against the carrying amount. If the carrying amount of a reporting unit exceeds its estimated fair value, we are required to record an impairment loss. In addition, if long-lived assets do not generate sufficient cash flows, impairment losses will also have to be recognized. Any significant amount of such impairment losses will adversely affect our results of operations and financial condition.

Our results of operations will be negatively affected if we are required to reduce our deferred tax assets.

As part of the process of preparing our consolidated financial statements in accordance with U.S. GAAP, we must assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, we must establish a valuation allowance. In the event of a deterioration in market conditions or results of operations, in which we determine that there is additional uncertainty regarding realization of all or part of our net deferred tax assets, an adjustment to our deferred tax assets would decrease our income during the period in which such determination is made.

Because our sales to overseas customers are denominated predominantly in U.S. dollars, we are exposed to exchange rate risks that could harm our results of operations and shareholders' equity.

Sales to customers outside Japan accounted for 68.3%, 74.2% and 73.7% of our consolidated net sales during the fiscal years ended March 31, 2009, 2010 and 2011, respectively. A significant portion of our overseas sales is denominated in currencies other than the Japanese yen, primarily the U.S. dollar, Euro, Renminbi and Thai Baht. As a result, the appreciation of the Japanese yen and other currencies against the U.S. dollar will generally have a negative effect on our sales, operating income, and net income. We may experience volatility in our shareholders' equity as a result of foreign currency exchange rate fluctuations when the results of operations of subsidiaries operating in currencies other than the yen are consolidated into our financial statements, which are reported in Japanese yen.

We also experience foreign exchange risk to the extent that our sales and expenses or those of our subsidiaries are denominated in different currencies. In order to mitigate against this risk, in recent years we have been attempting to offset a portion of our foreign currency revenue by matching the currency of revenue with the currency of expense. For example, if revenue for a particular product is in U.S. dollars, we attempt to purchase the supplies and resources used to produce that product in U.S. dollars. Nevertheless, we remain exposed to the effects of foreign exchange fluctuations.

Interest rate fluctuations may adversely affect our financial condition.

We have long-term receivables and debt, with fixed and variable rates, and we enter into interest rate swaps and other contracts in order to stabilize the fair values and cash flows of those receivables and debts. We

enter into interest rate swaps and other contracts to reduce our market risk exposure from changes in interest rates. To the extent that their effects are not hedged, we are exposed to interest rate fluctuation risks which may affect our operational costs, interest expenses, interest income and the value of financial assets and liabilities.

An unexpected drastic decline in the global economies may result in reduced demand for our products.

Demand for our products may be adversely affected by unexpected economic trends in the countries or regions in which our products are sold. Economic downturns and declines in purchasing activities in markets worldwide may result in a decline in demand for our products. In particular, our products are often used in end-products that are subject to discretionary spending, such as personal computers, consumer electronic goods and automobiles, and thus, a downturn in the economy could affect our sales. If, for example, the global economic environment deteriorates due to the credit and financial crises in Europe, or the effects of the earthquake in northern Japan on March 11, 2011 spread beyond our expectations into broader market areas and result in lower demand for our products, our operating results and financial condition may be adversely affected.

Our ability to collect on our accounts receivable may be adversely affected by our customers' worsening financial conditions.

Our accounts receivable as of March 31, 2011 was 1.8% higher compared to March 31, 2010. While we are taking measures to mitigate and manage credit risks with respect to our customers and business partners, if changes in the economic conditions of our major markets lead to unexpected levels of bankruptcies or defaults or otherwise result in our customers being unable to pay for our products on schedule or at all, our operating results and financial condition may be negatively affected.

Decreases in the value of Japanese or foreign stocks may adversely affect our financial results.

We hold Japanese and foreign stocks as part of our investment securities. The value of these stocks are inherently volatile and may decline substantially due to economic conditions or other factors, potentially resulting in our recording an impairment loss on such securities. Decreases in the value of Japanese or foreign stocks may also reduce stockholders' equity on our balance sheet since, in accordance with U.S. GAAP, we include unrealized holding losses on available-for-sale securities, if any, in our accumulated other comprehensive income or loss, while other-than-temporary declines in market value, are charged to income for the period when the loss occurs.

If our access to liquidity and capital is restricted, our business could be harmed.

We rely to a large extent on debt and equity financing to finance our operations, capital expenditures and acquisitions of other companies. If, due to changes in financial market conditions or other factors, financial institutions reduce, terminate or otherwise modify the amounts or terms of their lending or credit lines to us, and if we are unable to find alternative financing sources on equally or more favorable terms, our business may be materially adversely affected. In addition, if there is a significant downgrade of our credit ratings by one or more credit rating agencies as a result of any deterioration of our financial condition or if investor demand significantly decreases due to economic downturns or otherwise, we may not be able to access funds when we need them on acceptable terms, our access to capital markets may become more restricted, or the cost of financing our operations through indebtedness may significantly increase. This could adversely affect our results of operations and financial condition.

Natural disasters, public health issues, armed hostilities, terrorism and other causes over which we have little or no control could harm our business.

Natural disasters, including earthquakes, fires, public health issues, armed hostilities, terrorism and other incidents, whether in Japan or any other country in which we operate, could cause damage or disruption to us, our suppliers or customers, or could create political or economic instability, any of which could harm our business. The spread of unknown infectious diseases, such as a new type of influenza virus, could also adversely affect our operations by rendering our employees unable to work, reducing customer demand or by disrupting our suppliers' operations. Our network and information systems are important for normal operations, but such systems are vulnerable to shutdowns caused by unforeseen events such as power outages or natural disasters or terrorism, hardware or software defects, or computer viruses and computer hacking. Any of these events, over which we have little or no control, could cause a decrease in demand for our products or services, make it difficult or impossible for us to deliver products, for our suppliers to deliver components or for our customers to manufacture products, require large expenditures to repair or replace our facilities, or create delays and inefficiencies in our supply chain. For example, the earthquake in northern Japan on March 11, 2011 and subsequent events have disrupted the supply chain and infrastructure for Japan's major manufacturing industries, including the computer and automobile industries. The disruption could continue or worsen or otherwise adversely affect the Japanese and overseas markets in which we operate.

We maintain third party insurance coverage for various types of property, casualty and other risks. The types and amounts of insurance that we obtain vary from time to time and from location to location, depending on its availability and cost and our decisions as to risk retention. Our insurance policies are subject to deductibles, policy limits and exclusions that result in our retention of a level of risk on a self-insured basis. While we believe our insurance coverage is comparable to the coverage maintained by similar companies in our industry, losses not covered by insurance could be significant, adversely affecting our financial condition and results of operations.

Large shareholders may sell their shares of our common stock at any time, and such sale may cause our stock price to decline, even if our business is doing well.

As of March 31, 2011, there were 138,481,433 shares of our outstanding common stock (excluding treasury stock), of which 20,142,044 shares, or 14.5% of the outstanding shares, are beneficially owned by our President and CEO, Mr. Shigenobu Nagamori. These shares and, generally, the shares owned by other shareholders, can be sold on the Osaka Securities Exchange Co., Ltd., the Tokyo Stock Exchange, Inc. and otherwise in Japan at any time. Additional sales of a substantial amount of our common stock in the public market by a large shareholder, or the perception that such sales may occur, could cause the market price of our common stock to decline. This could also impair our ability to raise additional capital through the sale of our securities. Also, in the future, we may issue securities to raise cash for additional capital expenditures, working capital, research and development or acquisitions. We may also pay for interests in additional subsidiary or affiliated companies by using cash, common stock or both. We may also issue securities convertible into our common stock. Any of these events may dilute your ownership interest in us and have an adverse impact on the price of our common stock.

Japan's unit share system imposes restrictions in holdings of our common stock that do not constitute whole units.

Our Articles of Incorporation provide that 100 shares of our stock constitute one "unit." The Company Law of Japan imposes significant restrictions and limitations on holdings of shares that constitute less than a whole unit. Holders of shares constituting less than a unit do not have the right to vote. A shareholder who owns shares representing less than one unit will not be able to exercise any rights relating to voting rights, such

as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. Under the unit share system, holders of shares constituting less than a unit have the right to require us to purchase their shares. However, holders of ADSs that represent other than multiples of whole units cannot withdraw the underlying shares representing less than one unit and, therefore, they will be unable to exercise the right to require us to purchase the underlying shares. As a result, holders of ADSs representing shares in lots of less than one unit may not have access to the Japanese markets to sell their shares through the withdrawal mechanism.

Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions.

Our Articles of Incorporation, Regulations of the Board of Directors, Share Handling Regulations and the other related regulations, as well as the Company Law govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a non-Japanese company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions within the United States. You may have more difficulty in asserting your rights as a shareholder than you would as a shareholder of a corporation organized in another jurisdiction. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan which are based upon the securities laws of the United States or any U.S. state.

A holder of our ADSs will have fewer rights than a shareholder has and will have to act through the depositary to exercise those rights.

The rights of the shareholders under Japanese law to take actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders of record. Because the depositary, through its custodian agent, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying ADSs as instructed by the ADS holder and will pay to ADS holders the dividends and distributions collected from us. However, as an ADS holder, you will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights in your capacity as ADS holder.

Because of daily price range limitations under Japanese stock exchange rules, you may not be able to sell your shares of our common stock at a particular price on any particular trading day, or at all.

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs.

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

It may not be possible for investors to effect service of process within the United States upon us or our Directors or Corporate Auditors or to enforce against us or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.

We are a limited liability, joint-stock corporation incorporated under the laws of Japan. Most of our Directors and Corporate Auditors reside in Japan. A substantial portion of our assets and all or substantially all of the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgment obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

Item 4. Information on the Company.

A. History and Development of the Company.

Nidec is a joint stock corporation that was incorporated and registered under the Japanese Commercial Code (which was replaced by the Company Law in May 2006) of Japan on July 23, 1973 under the name of Nihon Densan Kabushiki Kaisha. Our corporate headquarters are located at 338 Kuzetonoshiro-cho, Minami-ku, Kyoto 601-8205, Japan. Our main telephone number is 81-75-935-6140. As of March 31, 2011, we had 158 subsidiaries located in 24 countries, and two affiliated companies located in Japan and the Philippines. We had 105,873 employees worldwide, 91.8% of which were employed outside Japan, as of March 31, 2011.

We are one of the leading global manufacturers of electric motors and related components and equipment. We aim to achieve sustainable business growth by solidifying our leadership position in motor drive technology and expanding our product portfolio into a broader spectrum of the global electric motor market. With a particular focus on brushless direct current motors, or brushless DC motors, we have constantly explored new ways to serve the global market through the introduction of energy-efficient, environment-friendly motor drives. Our growth as a manufacturer of electric motors to our current size and status has largely been the result of the acquisition and integration of businesses that have enabled us to build a strong product offering. We regard our ability to identify, purchase and integrate acquisition targets as an essential part of our core strategy and strength.

In September 2010, we acquired the motors and controls business of Emerson Electric Co., which was subsequently renamed “Nidec Motor Corporation” and, as a result, expanded our product portfolio in the “mid-size motors” business group. To reflect the portfolio expansion, we renamed our mid-size motors business group the “general motors” business group.

As part of our ongoing efforts to further accelerate growth and enhance the efficiency of management of our group companies, we have recently implemented a series of intra-group realignment transactions in the general motors business group. As part of these transactions, Nidec Power Motor Corporation and Nidec Shibaura Corporation were merged by absorption into an intermediate holding company, Nidec Techno Motor Holdings Corporation in March and April 2011, respectively. In addition, Nidec Motor Corporation and Nidec

Sole Motor Corporation S.R.L. became subsidiaries of a single intermediate holding company, Nidec Motor Holdings Corporation, in April 2011.

In April 2011, we decided to transfer a portion of Nidec Corporation's management function relating to Nidec-Kyori Corporation to Nidec-Shimpo Corporation through a corporate split transaction. The transaction is expected to become effective in July 2011. This intra-group reorganization transaction was part of our ongoing efforts to strengthen the financial base of each group company and enhance intra-group collaboration and operational synergy.

In October 2010, to more effectively manage, and more effectively share resources among our group companies engaged in the small precision motor business, we made Nidec Servo Corporation a wholly owned subsidiary through a share exchange transaction between Nidec Corporation and Nidec Servo. Immediately prior to the share exchange transaction, Nidec held a 64.3% ownership interest in Nidec Servo and, in exchange for 721,534 shares of its common stock previously held in treasury, Nidec acquired the remaining ownership interest in Nidec Servo.

In December 2010, we agreed with Sanyo Electric Co., Ltd. to purchase from Sanyo Electric all of the outstanding shares in Sanyo Seimitsu Co., Ltd. The transaction is expected to close in the fiscal year ending March 31, 2012.

The following list presents a selected history of our major acquisition activities relating to the expansion of our businesses involving small precision motors, general motors, machinery, electronic and optical components and other products:

During Fiscal Years Ended March 31,	Event
1989	We acquired Shinano Tokki Co., Ltd., a major manufacturer of spindle motors for hard disk drives, from Teac Corporation, a then major manufacturer of audio equipment and hard disk drives for PCs. As a result, we gained the largest market share of spindle motors in the world.
1995	We acquired 38.5% of Kyoritsu Machinery Co., Ltd. and changed its name to Nidec Machinery Corporation. We subsequently increased our ownership to the current level of 60.0%. This company manufactures factory automation equipment for small precision motor assemblies and automated measuring instruments.
1995/ 2003	We acquired newly-issued shares of Shimpo Industries Co., Ltd., currently Nidec-Shimpo Corporation, constituting 36.7% of its then outstanding shares. We subsequently increased our ownership to 51% and have consolidated its results since February 2002. Nidec-Shimpo became a wholly-owned subsidiary of Nidec by way of a share exchange, effective as of October 1, 2003. Nidec-Shimpo is a major manufacturer of stepless automatic transmission mechanisms.
1997/ 2002	At the time when Shimpo Industries became our consolidated subsidiary in February 2002, Shimpo Industries held 90.0% of the outstanding shares of Read Corporation, currently Nidec-Read Corporation. Shimpo Industries acquired Read Corporation from Nippon Steel Chemical Co., Ltd in 1997. Nidec-Read manufactures measuring/inspection equipment for electronic components, including printed circuit boards, ceramics, semiconductors and automotive parts. Nidec-Read became our majority-owned subsidiary in February 2002 as a result of the inclusion of Nidec-Shimpo in our scope of consolidation.
1998/ 2004	We acquired 17.7% of the outstanding shares of Copal Co., Ltd. in 1998, currently Nidec Copal Corporation, from Fujitsu Limited. Later in 1998, we increased our ownership of Nidec Copal to 42.8%. We further increased our ownership of Nidec Copal to 51.3% in February 2004. Nidec Copal is a leading manufacturer of camera shutters and other optical and electronics instruments. Nidec Copal also manufactures information terminals, laboratory system instruments and automated manufacturing systems. In connection with our acquisition of Copal's shares, we acquired from Copal 32.3% of the outstanding shares of Copal Electronics Corporation, currently Nidec Copal Electronics Corporation. Nidec Copal Electronics is a manufacturer of small electronic precision instruments, including semi-fixed gas registers, trimmer capacitors, small precision motors and gas and liquid pressure sensors. We subsequently increased our ownership of Nidec Copal Electronics to 40.0% in 1998 and then to 51.0% in January 2004.

During Fiscal Year Ended March 31,	Event
1998/ 2012	We acquired the assets relating to the motor division of Shibaura Engineering Works Co., Ltd. and established a joint venture, Nidec Shibaura Corporation, with Toshiba Corporation and Shibaura Engineering. We initially owned 40.0% of the joint venture. We subsequently dissolved the joint venture and purchased the remaining 60.0% interest from our former joint venture partners, and Nidec Shibaura became our wholly-owned subsidiary in September 2000. Nidec Shibaura mainly develops and manufactures precision motors for electric home appliances. In April 2011, Nidec Shibaura was merged by absorption into Nidec Techno Motor Corporation.
1999/ 2009	In October 1999, we acquired 71.0% of the outstanding shares of Nemicon Corporation, which was subsequently renamed Nidec Nemicon Corporation, a manufacturer of optical rotary encoders, proximity sensors and other electronic equipment. Later that year, we acquired an additional 2.1% share in the company. Nidec Nemicon. In March 2009, we disposed of all of the shares of Nidec Nemicon.
2000/ 2011	We acquired 67.0% of the outstanding shares of Y-E Drive Corporation, subsequently renamed Nidec Power Motor Corporation, from Yasukawa Electric Corporation. Nidec Power Motor designs, develops, manufactures and services general motors for industrial equipment and home electrical appliances. Through this acquisition, we expanded our business in the field of general motors. In March 2011, we acquired the remaining shares of Nidec Power Motor, and Nidec Power Motor was merged by absorption into Nidec Techno Motor Corporation.
2004	In October 2003, we acquired approximately 40% of the outstanding shares of Sankyo Seiki Mfg. Co., Ltd., currently Nidec Sankyo Corporation. We subsequently increased our ownership of Nidec Sankyo to approximately 51% in February 2004.
2006	In November 2006, we acquired 98.9% of the outstanding shares of Fujisoku Corporation, which manufactures and sells industrial switches, memory cards, panel switches and electronic measuring instruments.
2006	In December 2006, we acquired all of the voting shares of the motors and actuators business of Valeo S.A., France, currently Nidec Motors & Actuators. As a result, we have included the results of the Nidec Motor & Actuators group wholly-owned subsidiaries (consisting of seven companies) in our consolidated financial statements. These companies manufacture motors and actuators for automobiles such as air flow systems, body closure systems, occupant positioning systems and brake systems.
2007	In February 2007, we acquired 87.1% of the outstanding shares of Brilliant Manufacturing Limited, currently Nidec Component Technology Co., Ltd. Nidec Component Technology is engaged in manufacturing and sales of base plate die-casting and top covers used in hard disk drives.

During Fiscal Year Ended March 31,	Event
2008/ 2011	In April 2007, we acquired 51.7% of the common stock of Japan Servo Co., Ltd., currently Nidec Servo Corporation, a manufacturer of motors and motor-applied products. In October 2010, we acquired the remaining shares of Nidec-Servo.
2009	In June 2008, we acquired all of the shares of Shanghai Nidec Automotive Electric Motors Limited, a manufacturer of automotive DC motors used in window lift systems and anti-lock braking systems.
2009	In August 2008, we acquired 68.4% of newly issued shares of Copal Yamada, which manufactures and designs precision molds.
2010/ 2012	In August 2009, we acquired 60.0% of the voting interests in NTN-Nidec (Zhejiang) Corporation and NTN-Nidec (Thailand) Co., Ltd. to make them our wholly owned subsidiaries. These two companies were renamed Nidec Bearing (Zhejiang) Corporation and Nidec Bearing (Thailand) Corporation, respectively. These companies manufacture sintered-alloy fluid dynamic bearing units. In April 2011, Nidec Bearing (Zhejiang) Corporation was merged by absorption into Nidec (Zhejiang) Corporation.
2010	In January 2010, we acquired all of the voting interests in the household motor business of Appliances Components Companies S.p.A. in Italy, which was renamed Nidec Sole Motor Corporation S.R.L.
2010	In February 2010, we acquired 90.0% of the outstanding shares of SC WADO Co., Ltd., a base plate manufacturer in Thailand.
2011	In September 2010, we acquired all of the assets, the liabilities and the voting rights of Emerson Electric Co.'s motors and controls business, currently Nidec Motor Corporation which manufactures industrial, air conditioning and home appliance motors.

For a further discussion of our significant acquisitions and dispositions, see Note 4 to our audited consolidated financial statements included elsewhere in this annual report.

In December 2008, we discontinued our optical pickup unit, or OPU, business as part of our efforts to concentrate management and capital resources on businesses in new and growth areas. In September 2009, we discontinued the semiconductor manufacturing equipment, or SME, business in order to improve profitability by prioritizing our investment of management and capital resources on the development and production of new products in the automobile parts and measuring equipment businesses, which we believe have greater potential for growth. In March 2011, we discontinued the specialty lens unit, or SLU business in order to improve profitability by prioritizing our investment of management resources to the development and production of new products and business areas with more potential for growth. For a further discussion on the discontinued businesses, see Note 24 to our audited consolidated financial statements included elsewhere in this annual report.

For the fiscal years ended March 31, 2009, 2010 and 2011, our capital expenditures, as shown in our consolidated statements of cash flows for those fiscal years, were ¥38,501 million, ¥36,608 million and

¥55,010 million, respectively. Major capital expenditures for the last three fiscal years included additional expansions of our property, plant and equipment for hard disk spindle motors in Thailand and the Philippines.

Our currently planned capital expenditures for the fiscal year ending March 31, 2012 include investments of approximately ¥23,943 million in production plants and facilities, mainly in Asia, and various additional other investments, including:

- Nidec research and development Center in Japan (Nidec Corporation)
- Electric components, small precision motors and machinery manufacturing factories in Japan (Nidec Sankyo group)
- General motors manufacturing factory in the United States (Nidec Motor Corporation)

See "Item 5.B. Operating and Financial Review and Prospects—Liquidity and Capital Resources."

Our Basic Strategy

Electric motors account for an increasingly larger portion of all electric consumption in the world today. The efficiencies of electric motors and motor drive systems can make a significant difference in the world's power consumption and would become a crucial key to accelerating the shift toward clean and renewable energy sources, which originates in increased concerns over supplies of fossil fuels and the imminent effects of climate change.

Inefficient motors result in significant energy waste. With an increase in electricity costs, energy lost due to inefficient motors essentially translates into economic loss. In addition, since a large portion of the power generated in the world currently comes from the burning of fossil fuels, wasted energy due to motor inefficiency contributes to an increase in the amount of pollution created in the power generation process. The widespread use of high-efficiency, advanced electric motor solutions is expected to enhance the possibilities of reducing energy costs for end users, reducing the consumption of fossil fuels for energy production, and decreasing the amount of harmful emissions released into the atmosphere.

In addition to these factors, we believe the primary catalysts driving demand for highly sophisticated electric motors would include:

- Advances in electronic support for greater living comfort and safety (e.g., electronic vehicle control and home appliance digitalization);
- Growth in emerging markets, and
- Increasingly stricter global energy efficiency standards.

The core of our current strategies revolves around how we can contribute to and take advantage of the foregoing market shift by leveraging our specialized motor technologies, particularly those associated with the brushless DC motor.

A brushless DC motor is a type of electric motor that uses electronically controlled commutation systems, rather than a mechanical commutation system used in a conventional DC motor. The brushless DC motor, without a commutator and brushes to wear out, essentially has no attributes negatively affecting the electrical connections and exhibits many advantages over traditional motor types, including:

- better speed versus torque characteristics,
- higher dynamic response,
- higher efficiency,
- longer operating life,

- noiseless operation,
- higher speed ranges,
- smaller and lighter (higher ratio of torque delivered to the size of the motor),and
- no ionizing sparks resulting in electromagnetic interference.

Brushless DC motors are gaining popularity and have come to dominate many applications requiring precise speed control, despite their higher cost compared to conventional motor types. Hard disk drives, optical disk drives and cooling fans for consumer and enterprise computers and DVD recorders and players already use brushless DC motors exclusively. Higher-torque brushless DC motors are beginning to be utilized in hybrid and electric vehicles, home appliances, office equipment and industrial machinery. We believe brushless DC motors can potentially be employed in any area currently fulfilled by conventional DC motors.

Our Business Model

We pursue sustainable enhancement of corporate value by leveraging our core competencies in the electric motor drive technology and associated manufacturing and marketing expertise, which are designed flexibly to align with future changes and developments in the relevant markets.

Our business model is to provide specialized motor drive solutions to global customers who seek to build and maintain a top tier product portfolio in terms of efficiency, differentiation, price competitiveness and speed to market. The business model has evolved over time in alignment with the customers' changing value priorities and based on our strategic foresight in identifying potential growth areas to concentrate our resources on. We constantly assess our visions and strategies in light of the evolving business environment and, if necessary, seek to reposition ourselves by proactively taking measures, including investments, mergers and acquisitions, and divestiture or transformation of operations.

As an independent participant in multiple supply chains in multiple product markets, we supply products to higher-tier suppliers and ODM and OEM customers. We provide our specialized capabilities in motor-drive solutions that customers otherwise do not have direct access to, or can not cost-effectively create or manage internally. We seek to maintain and further develop these capabilities to compete with our current and potential competitor suppliers worldwide. The customers in the supply chains we currently serve generally have the following attributes:

- They expect highly innovative products with an increasing focus on energy-saving, environmentally-friendly features,
- They require large quantities at a low price, and
- They purchase on short notice and expect quick delivery, service and support.

We aim for the highest market share in our chosen areas of operations, and believe that we have developed a flexible and agile manufacturing framework to ensure rapid responses to changes in customer demand, timely resolution of quality problems, and fast implementation of new product features.

We believe our key strengths and capabilities can be summarized as follows:

- Strategic foresight to identify future growth opportunities and challenges, and agility in responding to the accompanying changes in technologies, markets and trends,
- Rich pool of specialized proprietary technologies and related expertise in customization and processing,

- Short time to market enabled by highly specialized, focused operations,
- Cost advantages generated by effectively spreading the costs of specialized capabilities over significantly large production volume for serving multiple customers,
- Ability to build long-term, close relationships with customers based on an in-depth understanding of their challenges and goals,
- Corporate culture that prioritizes employees' creativity, labor enthusiasm, and swiftness in decision-making, and
- Extensive experience in successful mergers and acquisitions and post-merger integration.

Our competitive advantages, particularly from a perspective of responsiveness to customers, reflect, and are primarily driven by, the following operational elements:

Technology

Continuing improvement in product design, manufacturing and process technologies is critical to differentiate ourselves from our competitors and, from time to time, to ease pricing pressure. We aim to have all of our design activities focus on future growth markets and potential applications well-matched with the context of the times.

From a technical perspective, our business model first demonstrated its validity in establishing our leadership in the global market for spindle motors for hard disk drives. In the 1980's, the computer industry was seeking innovative solutions that would enable smaller-footprint computer for home and office uses (personal computers, or PCs) without compromising performance. The manufacturers of the hard disk drive, a storage device used to store digitally encoded data in the computer and server, were also looking for innovative ways to dramatically reduce the size and improve the performance of their hard disk drives. They needed a new platter, new read and write head, and among all things, a new type of electric motor. We had anticipated the need for smaller yet higher-performing motors early on and successfully developed our proprietary brushless DC motor technology and associated mass-production expertise ahead of our competitors. Our brushless DC motor quickly replaced the traditional brush-commutated DC motor, or brush DC motor, to become the mainstream motor solution for hard disk drives, and subsequently, optical disk drives.

Our motor drive technology has since evolved through waves of innovation and modification to fulfill a role fine-tuned to the needs of the times. Exhibiting enhanced rotation accuracy, controllability, lightness, quietness and operating life, coupled with significantly improved energy-efficiency and environmental advantages, our motor portfolio has extended its reach beyond the information technology field into many other market segments where we find new demand. Our current focus is on new applications arising from consumers' preference toward energy-saving lifestyle, greater comfort and safety. Among the most prospective application areas, we place particular emphasis on electric and hybrid automobiles, home electric appliances and industrial equipment, for which we believe highly controllable, energy-saving and environmentally-friendly motors are increasingly sought after.

Production

Our customers, to a greater or lesser degree, serve various electronics markets which typically require large quantities of high-quality precision components, including electric motors, on short notice and at competitively low prices. Attaining a sustainable leadership position in these markets is essentially synonymous with having industry-leading manufacturing capacities and flexible manufacturing techniques that enable competitive quantity, quality, speed and price. For this reason, we constantly explore new application areas with high growth potential to continue securing sufficient production volume for better economies of scale and scope. Our manufacturing initiatives towards the leading market position basically begin with establishing substantially large manufacturing capacities in close proximity to major groups of customers so that we can meet quality and quantity demand better and make delivery times shorter than our competitors. Further, we carefully measure the value added along the production lines over the course of time and, at a scale deemed appropriate, standardize and automate production lines for lower cost manufacturing operations.

Inventory and Delivery

Our major revenue streams currently come from the customers who adopt a just-in-time system, or JIT, under which the customers produce only what is required in the correct quantity and at the correct time, to keep their stock levels to a minimum. Accordingly, we are expected to deliver our products to the customers' loading bays within a narrow time slot.

JIT is a very responsive manufacturing method, and yet very reliant on suppliers. If stock is not delivered on time, the customer's entire production schedule would most likely be delayed. Customers without inventory must avoid such a supply system problem that creates a shortage of parts. This makes supplier relationships extremely important for our customers, and our responsiveness here is primarily measured by our ability to keep sufficient levels of inventory readily available to the customers at many locations worldwide. To fulfill these customer needs, our global manufacturing network is flexibly coordinated to ensure geographical proximity to the factories and warehouses of our customers. At the same time, we pay significant attention to the demand conditions in downstream markets in order to mitigate the risk of overstocking on our side.

See "Item 3.D. Key Information—Risk Factors—Because our production and inventory are planned in advance of anticipated customer demand, if actual demand is significantly smaller than projected, we may suffer losses."

Quality

Our quality initiatives revolve around continuous improvement and optimization of all processes—from product development, purchasing, production and sales to delivery—in order to provide maximum value for our customers. We adopt quality as a competitive strategy and implement techniques, such as ISO 9001 certification and statistical process controls, to meet customer demands and improve overall business performance.

As an internationally operating company, our quality responsibility involves reducing the environment burdens of our products and operations beyond national borders. In addition to compliance with international environmental standards, such as ISO14001, REACH (Registration, Evaluation, Authorization and Restriction of Chemical substances) and RoHS (Restriction of Hazardous Substances Directive), we seek to address environmental considerations and work on the reduction of raw materials used per unit of product.

See "Item 3.D. Key Information—Risk Factors—If any defect is discovered in our products, or if any of the end-products in which our products are incorporated malfunctions, our reputation and results of operations may suffer by lost sales, costs associated with recalls or management distraction."

Strategic Investments and Business Acquisitions

Strategic investments and business acquisitions in potentially higher value areas are essential to our

success in terms of broadening our technological horizons, enriching our products and customer portfolio, and eventually developing an optimal mix of revenue and profit streams. Specifically, our core investment efforts are currently being directed to the following areas:

- Research and development of energy-efficient, environment-friendly electric motors,
- Expansion of selling and manufacturing capacities in emerging countries, and
- Mergers and acquisitions of electric motor businesses in the household appliance, automotive and industrial motor industries.

See “Item 3.D. Key Information—Risk Factors—Our growth has been based in part on acquisitions of or investments in, other companies, and our future growth could be adversely affected if we make acquisitions or investments that fail to achieve their intended benefits, or if we are unable to find suitable acquisition or investment targets.”

B. Business Overview.

A massive earthquake that occurred in the northern part of Japan on March 11, 2011 and subsequent events disrupted some of the international markets we serve. Although physical damage to our plants, facilities and other tangible assets was relatively limited, the disruption of the global supply chains, particularly the PC supply chain, significantly constrained our customers’ procurement activities and resulted in abrupt postponements and cancellations of orders for some of our products, including electric motors used in hard disk drives and optical disk drives, during the last few weeks of the fiscal year ended March 31, 2011. In the first quarter of the current fiscal year, however, we believe the overall supply chain conditions surrounding our businesses headed towards normal levels.

The impact of the earthquake and subsequent events have remained at a manageable level to date and, based on the information currently available to us, we have decided to continue to pursue the growth strategy, investment plans, and research and development initiatives that we formulated prior to the earthquake. There could be developments, however, including additional earthquakes and a possible nationwide implementation of planned power outages attributable to the recent nuclear power plant accident, that would have a material negative impact on our results of operations. See “Item 3.D. Key Information—Risk Factors—Natural disasters, public health issues, armed hostilities, terrorism and other causes over which we have little or no control could harm our business” and “Item 3.D. Key Information—Risk Factors—An unexpected drastic decline in the global economies may result in reduced demand for our products.”

We classify our operations into five business groups based primarily on the similarity of products in type and use. The business groups and major categories of products offered in each business group as of March 31, 2011 are as follows:

- *Small Precision Motors:* Hard disk drives spindle motors, other small precision brushless DC motors (for optical disk drives, laser printers, copiers, polygon scanners), brushless DC fans (for game machine consoles, microprocessor units, servers, personal computers, communication devices, automobiles), and other small precision motors (for refrigerator ice makers, mobile phones, CD players, DVD recorders, and other products);
- *General Motors:* Automotive motors (for power steering systems, engine and fuel cell cooling systems, seat adjusters, window lifts, door lock actuators, traction systems, and other products), home appliances motors (for air conditioning systems, air purification systems, washing machines, refrigerators, dish washers and other products), and industrial motors (for machine tools, heat pump

and water heater systems, elevators, barrier-free facilities, electric tools, air compressors, and other products) . This business group, which was previously called “Mid-size Motors,” has been renamed to reflect the expansion of its product portfolio as a result of our acquisition of Emerson Electric Co.’s motors and controls business in September 2010;

- *Machinery*: Transfer robots (for liquid-crystal-display panels, semiconductor wafers, and other products), card readers, high-speed pressing machines, and power transmission systems;
- *Electronic and Optical Components*: Shutters and lens units (for digital still cameras and mobile phones), switches, trimmer potentiometers, actuators, precision plastic moldings and plastic metal casings, and
- *Others*: Pivot assemblies (for hard disk drives), control valves (for automotive transmissions), music boxes and logistics services.

Sales by Product Category

The table below summarizes a breakdown of our consolidated net sales by business group and product category for each of the periods indicated:

	(Yen in millions, except percentage data)					
	For the year ended March 31					
	2009		2010		2011	
Small precision motors:						
Hard disk drives spindle motors	¥181,255	29.7%	¥203,845	34.8%	¥196,265	28.5%
Other small precision brushless DC motors ...	73,187	12.0%	75,641	12.9%	72,541	10.5%
Brushless DC fans	37,345	6.1%	32,651	5.6%	33,801	4.9%
Other small precision motors	22,286	3.6%	18,023	3.1%	18,883	2.8%
Sub-total	314,073	51.4%	330,160	56.4%	321,490	46.7%
General motors (Note 2)	77,156	12.6%	73,381	12.5%	137,251	20.0%
Machinery (Note 3)	69,435	11.4%	47,966	8.2%	77,329	11.2%
Electronic and optical components (Note 4) ...	122,552	20.1%	105,743	18.0%	117,843	17.1%
Others	27,587	4.5%	28,779	4.9%	34,617	5.0%
Consolidated total.....	¥610,803	100.0%	¥586,029	100.0%	¥688,530	100.0%

Notes:

- (1) Inter-group transactions have been eliminated in consolidation.
- (2) This business group, which was previously called “Mid-size Motors,” has been renamed to reflect the expansion of its product portfolio as a result of our acquisition of Emerson Electric Co.’s motors and controls business in September 2010.
- (3) Operations of the semiconductor production equipment (die bonder) business, formerly included in the “Machinery” business group, were reclassified as discontinued operations in September 2009 in accordance with ASC205-20 (Presentation of Financial Statements-Discontinued Operations). Net sales for the fiscal year ended 2009 have been retrospectively adjusted to reflect this reclassification.
- (4) Operations of the specialty lens units business, formerly classified in the “Electronic and Optical Components” business group, were reclassified as discontinued operations in March 2011 in accordance with ASC205-20 (Presentation of Financial Statements-Discontinued Operations). Prior-year sales amounts in the table have been retrospectively adjusted to reflect this reclassification.

For the fiscal year ended March 31, 2011, electric motors, which include Small Precision Motors and General Motors, represented 66.7% of our total net sales, with Machinery, Electronic and Optical Components, and Others comprising the remainder.

Small Precision Motors

The Small Precision Motors business covers a broad array of direct-current, or DC, electric motors operating at less than 100 watts. This business group constitutes the core of our consolidated operations and accounted for 46.7% of our consolidated net sales for the fiscal year ended March 31, 2011. More than a majority of small precision motor sales are represented by brushless DC motors used in the computer, home electronics and office equipment industries. See “Item 3.D. Key Information—Risk Factors—Because of our dependence on the computer industry, our business may be adversely affected by a decline in the computer market.”

This business group is divided into four product categories according to application: (1) hard disk drives spindle motors, (2) other small precision brushless DC motors, (3) brushless DC fans, and (4) other

small precision motors.

The details of each product category are as follows:

(1) Hard disk drives spindle motors

We manufacture spindle motors for hard disk drives used in personal computers, computer servers, and a range of digital consumer electronics. This product category represented 61.0% of our Small Precision Motors sales for the fiscal year ended March 31, 2011.

Our hard disk spindle motors fall into three groups based on their hard disk drive form factors, or disk platter diameters, as follows:

- (a) 3.5-inch form factor— for desktop PCs, servers, personal video recorders (PVRs), digital flat TVs, and portable external storage,
- (b) 2.5-inch form factor— for notebook PCs (including ultra mobile PCs), PVRs, game machine consoles, digital flat TVs, servers, external hard disk drives, and
- (c) Sub-1.8-inch form factor— for handheld digital devices.

We currently supply spindle motors to all of the major hard-disk drive manufacturers in the world. In the fiscal year ended March 31, 2011, approximately 30.8% of our hard disk drive spindle motor sales came from Seagate Technology LLC, 30.4% from Western Digital Corporation, 26.0% from Hitachi Global Storage Technologies, and the remainder from Samsung and Toshiba Corporation. See “Item 3.D. Key Information—Risk Factors—Our customer base is highly concentrated, and our sales would suffer if one or more of our significant customers substantially reduce or cancel orders for our products.”

Substantially all of our sales of hard disk drive spindle motor are denominated in U.S. dollars.

In this market, we currently compete with three motor suppliers: Alphana Technology Co., Ltd., Minebea Technology Co., Ltd., and Samsung Electro-Mechanics.

Demand for hard disk drive spindle motors typically peaks in the autumn-winter season, driven by corporate IT spending and consumer spending in the back-to-school and holiday shopping seasons. The following are some of the key recent market trends we consider significant to our hard disk drives spindle motor business:

- Global demand for electronic data storage is exhibiting stable growth, reflecting continued proliferation of personal and enterprise digital content that is stored, shared, protected and distributed in increasingly high volume.
- The hard disk drive market indicates a trend towards more economical, energy-efficient server disk drives with smaller footprints, reflecting the industry’s focus shifting further to cloud storage, a model of networked online storage where data is stored on multiple third-party servers at data centers.
- New-generation handheld devices (e.g, smartphones and tablet PCs) have emerged to compete with the conventional small-form-factor PCs generally known as notebooks. Operating in the cloud storage environment and using solid-state drives as their only built-in storage media, these handheld devices are, on one hand, serving as a catalyst for the high-capacity, server-oriented hard disk drives market but, on the other hand, posing a constraint on the low-capacity hard disk drives market.

- Horizontal and vertical consolidations in the hard disk drive industry, primarily aimed to bolster server-class, high-capacity storage solutions and establish a blended storage platform featuring both hard disk drives and solid-state drives, have accelerated in recent years, influencing the competitive positions of the upstream component suppliers.

See “Item 3.D. Key Information—Risk Factors—We derive a substantial portion of our net sales from sales of spindle motors for hard disc drives, and a decrease in demand for, or prices of, HDDs could harm our business.”

(2) Other small precision brushless DC motors

The principal products in this product category are brushless DC motors used in optical disk drives primarily for PCs, digital video recorders, and high-end office equipment, including laser printers and hybrid copiers. A significant portion of the operations is conducted by Nidec Corporation and Nidec Sankyo Corporation. In this product category, our major customers are Japanese, Korean and Taiwanese electronics companies. Our competitors are for the most part Japanese and Korean component manufacturers, including our customers’ motor manufacturing divisions. This product category represented 22.6% of our Small Precision Motors sales for the fiscal year ended March 31, 2011.

(3) Brushless DC Fans

Our brushless DC fans, which are used to disperse the excess heat generated by electronic components, thereby keeping electrical equipment cool, currently have applications in PCs and computer servers, game machine consoles, mobile phone base stations and a variety of other products that require cooling functions. This product category is managed by Nidec Corporation and Nidec Servo Corporation. We mainly supply brushless DC fans to the world’s major manufacturers of PCs, microprocessors, game machine consoles, and networking and communications equipment. Our competitors are for the most part Japanese and Taiwanese component manufacturers. This product category represented 10.5% of the Small Precision Motors sales for the fiscal year ended March 31, 2011.

(4) Other Small Precision Motors

This product category consists of various types of small electric motors other than brushless DC motors. Electric motors in this product category are manufactured and sold by our consolidated subsidiaries and include the following:

- stepping motors for refrigerator icemakers, optical disk drives, camcorders, digital still cameras and car navigation systems,
- vibration motors for mobile phones, brush DC motors for CD and DVD players, and
- servo motors for industrial equipment and home appliances.

This product category represented 5.9% of the Small Precision Motors sales for the fiscal year ended March 31, 2011.

General Motors

The General Motors business group provides electric motors with power output higher than that of small precision motors and has applications in home appliances, automotive systems and industrial equipment. The home appliance motor business is primarily conducted by Nidec Motor Corporation, Nidec Shibaura Corporation and Nidec Sole Motor Corporation S.R.L. The automotive motor business is conducted by Nidec

Motors & Actuators, Nidec Corporation and Nidec Motor Corporation. The industrial motor business is mainly conducted by Nidec Motor Corporation and Nidec Power Motor Corporation. In the General Motors business, we manufacture and sell electric motors to many of the world's major electronics companies, factory automation equipment manufacturers and automotive system manufacturers based in Europe, the United States, Japan and other Asian countries. We compete with independent electric motor suppliers worldwide and our customers' own motor manufacturing units. For a more detailed discussion of our recent acquisitions of business, and internal reorganizations of subsidiaries, engaged in the General Motors business, see "—A. History and Development of the Company."

This business group currently derives a significant portion of its revenues from the home appliances and automobile industries and represented 20.0% of our consolidated net sales for the fiscal year ended March 31, 2011.

Machinery

The Machinery business group is managed by our consolidated subsidiaries and consists of various equipment and machinery mainly for industrial use. A significant portion of the operations of this business group are conducted by Nidec Sankyo Corporation in the transfer robot and card reader industry, Nidec-Shimpo Corporation in the power transmission equipment and other industries, and Nidec-Read Corporation in the semiconductor package inspection equipment and other industries. The remaining operations are managed by Nidec Copal Corporation in the factory automation system industry and Nidec-Kyori Corporation in the high-speed pressing machine industry. Our customers and competitors are primarily Japanese and Asian manufacturers.

This business group generally exhibits a marked sensitivity to capital spending fluctuations, owing to its high exposure to the factory automation systems market. This business group represented 11.2% of our consolidated net sales for the fiscal year ended March 31, 2011.

Electronic and Optical Components

The Electronic and Optical Components business is conducted primarily by: Nidec Copal Corporation in the camera shutter and lens unit, metal casing and other industries, Nidec Sankyo Corporation in the precision plastic molding, home appliance unit and other industries, and Nidec Electronics Corporation in the switch, trimmer potentiometer, actuator and other industries. Our primary customers are the world's major manufacturers of digital cameras, mobile phones and various control devices. We mainly compete with Japanese and other Asian component manufacturers, who are either independent or our customers' own manufacturing units.

This business group covers a broad spectrum of component markets and is particularly influenced by trends in the digital camera market and private-sector equipment investment. The product range is diverse and manufacturing operations are frequently performed in small lots or on order. This business group represented 17.1% of our consolidated net sales for the fiscal year ended March 31, 2011.

Others

The Others business includes various operations not covered by other business groups, primarily consisting of manufacturing and sales of automobile parts and pivot assemblies for hard disk drives, and the provision of logistics and other services. Those operations are conducted by Nidec Tosok Corporation and Nidec Corporation and its other subsidiaries. This business group represented 5.0% of our consolidated net sales for the fiscal year ended March 31, 2011.

Sales by Geographic Market

The following tables present a breakdown of our geographic revenues based on the locations of business entities generating sales and the locations of customers for each of the periods indicated:

Geographic revenues based on the locations of business entities generating sales

	Yen in millions, except percentage data					
	For the year ended March 31					
	2009		2010		2011	
Japan	¥304,317	49.8%	¥256,817	43.8%	¥304,897	44.3%
U.S.A.	12,864	2.1%	11,352	1.9%	46,579	6.8%
Singapore	37,811	6.2%	33,673	5.8%	28,015	4.1%
Thailand	93,306	15.3%	102,261	17.5%	99,932	14.5%
The Philippines.....	12,394	2.0%	14,884	2.5%	10,657	1.5%
China.....	106,928	17.5%	126,470	21.6%	142,285	20.7%
Other	43,183	7.1%	40,572	6.9%	56,165	8.1%
Consolidated total	¥610,803	100.0%	¥586,029	100.0%	¥688,530	100.0%

Geographic revenues based on the locations of customers

	Yen in millions, except percentage data					
	For the year ended March 31					
	2009		2010		2011	
North America	¥20,157	3.3%	¥17,604	3.0%	¥55,237	8.0%
Asia	356,066	58.3%	377,842	64.5%	394,529	57.3%
Europe.....	37,535	6.1%	36,945	6.3%	52,497	7.6%
Other	3,698	0.6%	2,628	0.4%	5,440	0.8%
Overseas sales total.....	417,456	68.3%	435,019	74.2%	507,703	73.7%
Japan	193,347	31.7%	151,010	25.8%	180,827	26.3%
Consolidated total	¥610,803	100.0%	¥586,029	100.0%	¥688,530	100.0%

Notes:

- (1) Inter-group transactions have been eliminated in consolidation.
- (2) Operations of the semiconductor production equipment (die bonder) business, formerly included in the “Machinery” business group, were reclassified as discontinued operations in September 2009 in accordance with ASC205-20 (Presentation of Financial Statements-Discontinued Operations). Net sales for the fiscal year ended 2009 have been retrospectively adjusted to reflect this reclassification.
- (3) Operations of the specialty lens units business, formerly classified in the “Electronic and Optical Components” business group, were reclassified as discontinued operations in March 2011 in accordance with ASC205-20 (Presentation of Financial Statements-Discontinued Operations). Prior-year sales amounts in the table have been retrospectively adjusted to reflect this reclassification.

See “Item 3.D. Key Information—Risk Factors—We rely to a large extent on production and sales in developing countries which may become politically or economically unstable and face risks resulting from unanticipated developments in those countries.”

Product Development and Engineering

Each of our business groups has its own product development and design teams that continuously enhance our existing products and develop new products for our growing base of customers that require

custom and standard solutions. We have some of the industry's most sophisticated motor development and testing laboratories, including those for hard disk drive motors and automotive motors. We believe these capabilities provide a significant competitive advantage in developing high quality motors with leading environmentally friendly design characteristics, such as low noise, improved safety, reliability and energy efficiency.

Supply Sources

Our major requirements for basic raw materials include aluminum, steel, copper, electronics, and to a lesser extent, rare earth minerals, plastics and other petroleum-based chemicals. We have multiple supply sources for each of its major requirements and is not significantly dependent on any one or a few suppliers. Although recent high prices for some raw materials have negatively affected our margins for some of our businesses, the raw materials and various purchased components required for our products have generally been available in sufficient quantities.

See "Item 3.D. Key Information—Risk Factors—If raw materials or components for our products are not available in quantities or at prices that we expect, our production could be significantly harmed."

Government Regulation and Environmental Standards

Our business activities are subject to various governmental regulations in the jurisdictions in which we operate, including those relating to customs, import and export control, foreign exchange controls, competition or antitrust, intellectual property, protection of the environment, product safety, and labor.

In Japan, we are subject to environmental regulation under the Air Pollution Control Law, the Water Pollution Control Law, the Wastes Disposal and Public Cleaning Law, the Law for the Promotion of Effective Utilization of Resources, the Basic Law for Establishing a Recycling-based Society and other laws. We are also subject to local regulations which in some cases impose requirements more stringent than the national requirements. However, we currently do not believe that these regulations have a significant impact on our operations since we do not use large volumes of hazardous or toxic chemicals to manufacture our products or dispose of large amounts of waste into the environment.

Our overseas operations are also subject to environmental regulation. Our operations in the United States, for example, are subject to extensive federal and state environmental laws and regulations. Our operations in the European Union ("EU") are also subject to EU and national environmental laws and regulations. Any electronic or electrical equipment sold in the EU are subject to the Restriction of Hazardous Substances Directive (RoHS) 2002/95/EC. This Directive indicates that any products entering the EU must comply with its limits on the content of certain hazardous substances. We seek to ensure that all of our products comply with the Directive because of the possibility that products we make and sell elsewhere could be eventually be sold in the EU as components of other companies' products.

Environmental considerations are critical in measuring our product competitiveness. As part of our ongoing effort to comply with environmental laws and regulations, we constantly monitor and adapt to changes in such requirements applicable to our operations and strive for strict compliance with these requirements. Almost all of our domestic and overseas manufacturing plants have either received, or are scheduled to receive within the next few years, certifications under the ISO 14001 standards on environmental management systems of the International Organization for Standardization. Also, under a control framework established to eliminate lead from our production process, a predominant portion of our products (with a few exceptions required by certain customers) currently use lead-free solder. However, our compliance effort may require substantial financial and other resources or prove inadequate, particularly when stricter regulatory requirements are imposed.

See “Item 3.D. Key Information—Risk Factors—We are subject to various laws and regulations, and our failure to comply may harm our business.”

Intellectual Property

In the ordinary course of business, we submit additional patent applications in Japan, the United States, China and other countries. We also seek patent protection in various foreign countries where our patented technologies are used. While, from time to time, we seek to enforce our patents in patent infringement lawsuits or otherwise, we do not believe that there is no single patent or group of patents which are critical to our principal business segments.

Legal Proceedings

On July 30, 2008, we filed a lawsuit in the Osaka District Court against Samsung Electro-Mechanics Co., Ltd. for infringement of Japanese Patent Nos. 3344913, 3502266 and 3688015, which relate to our technology used for spindle motors in CD, DVD and Blu-ray disk drives. After the district court issued a decision unfavorable to us on November 26, 2009, we appealed the district court's decision to the Intellectual Property High Court of Japan on December 10, 2009. On September 15, 2010, the Intellectual Property High Court decided in favor of us and remanded the case to the Osaka District Court. Samsung Electro-Mechanics appealed the Intellectual Property High Court's decision to the Supreme Court of Japan. On January 28, 2010, the Supreme Court dismissed the appeal and remanded the case to the district court. Nidec subsequently petitioned the district court for withdrawal of the lawsuit, and the lawsuit was dismissed on March 28, 2011.

On September 25, 2008, we filed a lawsuit in the Tokyo District Court against YASKAWA Electric Corporation, or YASKAWA, for infringement of Japanese Patent Nos. 3973006 and 3973048, which relate to LCD panel handling robots. On March 31, 2010, we brought an additional lawsuit in the Tokyo District Court against YASKAWA for infringement of Japanese Patent No. 3973048 to include additional products of YASKAWA. In the meantime, YASKAWA filed a petition seeking to invalidate the patents with the Japanese Patent Office, which denied the petition. YASKAWA appealed the Patent Office's decision to the Intellectual Property High Court on February 7, 2011. The appeal is currently pending in the Supreme Court.

We are also involved in several other actions and proceedings in Japan and overseas in the ordinary course of our business. Based upon the information currently available to us and our domestic and overseas legal counsel, we believe that the ultimate resolution of such actions and proceedings will not, in the aggregate, have a material adverse effect on our financial condition or results of operations.

See “Item 3.D. Key Information—Risk Factors—We could be harmed by litigation involving patents and other intellectual property rights.”

C. Organizational Structure.

The following table and the discussion that follows present summary information on our major consolidated subsidiaries as of March 31, 2011:

Name	Country	Principal business	Percentage owned by us as of March 31, 2011 (%)
Consolidated subsidiaries			
Nidec Automobile Motor (Zhejiang) Corporation	China	Manufacture of motors for automobiles	100.0%
Nidec Bearing (Zhejiang) Corporation	China	Manufacture and sales of components for precision motors	100.0%
Nidec Bearing (Thailand) Co., Ltd.	Thailand	Manufacture and sales of components for precision motors	100.0%
Nidec America Corporation	U.S.A	Sales of fans, DC motors and motors for automobiles	100.0%
Nidec (Zhejiang) Corporation	China	Manufacture of spindle motors for hard disk drives	100.0%
Nidec (Dalian) Limited	China	Manufacture of small brushless DC motors for optical disk drives and fan motors	100.0%
Nidec (Dongguan) Limited	China	Manufacture of small brushless DC motors for office equipment	100.0%
Nidec (Shaoguan) Limited	China	Manufacture of DC motors, DC motors for PC peripheral devices and components for precision motors.	100.0%
Nidec Electronics GmbH	Germany	Sales of fans and motors for automobiles	100.0%
Nidec Philippines Corporation	Philippines	Manufacture of spindle motors for hard disk drives	99.9%
Nidec (H.K.) Co., Ltd.	China	Sales of fans, DC motors and spindle motors for hard disk drives	100.0%
Nidec Singapore Pte. Ltd.	Singapore	Manufacture and sales of pivot assemblies and sales of fans DC motors and spindle motors for hard disk drives	100.0%
Nidec Taiwan Corporation	Taiwan	Sales of small brushless DC motors and fans	100.0%
Nidec Vietnam Corporation	Vietnam	Manufacture of fan motors and small brushless DC motors	100.0%
Nidec (Shenzhen) Co., Ltd.	China	Sales of fans DC motors and spindle motors for hard disk drives	100.0%
Nidec (Beijing) Co., Ltd.	China	Sales of fans DC motors and spindle motors for hard disk drives	100.0%
Nidec Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sales of spindle motors for hard disk drives	99.9%
Nidec Subic Philippines Corporation	Philippines	Manufacture of spindle motors for hard disk drives	99.9%
Nidec (Shanghai) International Trading Co., Ltd.	China	Sales of fans, DC motors and motors for automobiles	100.0%
Nidec Techno Motor Holdings Corporation	Japan	Manufacture and sales of medium-size motors for home electronics, home appliances, industrial equipment and automobiles, medium-size motor-based equipment, electric tools, water supply pumps, and others products	100.0%

Name	Country	Principal business	Percentage owned by us as of March 31, 2011
Nidec Motor Holdings Corporation	Japan	Coordination and oversight of home appliance and industrial motor businesses	100.0%
Nidec Component Technology Co., Ltd. *2	Singapore	Manufacture and sales of hard disk drives base plates, brackets and top covers	98.9%
Nidec Copal Electronics Corporation *1	Japan	Manufacture and sales of electronic circuit components, pressure sensors, actuators and potentiometers	65.4%
Nidec Copal Corporation *1	Japan	Manufacture and sales of optical, electronic and information equipment, photo laboratory system and factory automation equipment	64.8%
Nidec-Kyori Corporation	Japan	Manufacture and sales of high speed automatic presses, feed devices and other industrial machinery	100.0%
Nidec Logistics Corporation	Japan	Transportation, warehousing, import and export business, packing, environment business, distribution processing and physical distribution	100.0%
Nidec Machinery Corporation	Japan	Manufacture and sales of automatic assembly line machinery, testers and equipment for automotive motor	76.0%
Nidec Motors & Actuators	France	Manufacture and sales of air flow systems, seat positioning systems, body closure systems, and braking, drive-line and steering systems	100.0%
Nidec Motor Corporation	U.S.A.	Manufacture and sales of large and medium-size drive motors	100.0%
Nidec-Shimpo Corporation	Japan	Manufacture and sales of power transmission drives, control devices, measuring and factory automation equipment, ceramic and wood art equipment, and others	100.0%
Nidec Tosok Corporation *1	Japan	Manufacture and sales of precision automotive parts, automatic measuring equipment, air/electronic gauges, precision ball screws and other precision measuring devices	71.6%
Nidec Total Service Corporation	Japan	Insurance agency, real estate business, merchandising, building maintenance and others	100.0%
Nidec Sankyo Corporation *1	Japan	Manufacture and sales of factory robots, card readers,, home appliance units and various small motors	76.5%
Nidec Servo Corporation	Japan	Manufacture and sales of motors for brushless motors, stepping motors, fans motors, blowers motors, sensors and motor applications	100.0%

Note:

*1 Listed on one or more stock exchanges in Japan

*2 Renamed from "Nidec Brilliant Co., Ltd." on July 1, 2010

D. Property, Plants and Equipment.

Our principal executive offices are located in Kyoto, Japan and occupy approximately 36,119 square meters of office space. At March 31, 2011, we operated manufacturing and sales facilities through 28 Japanese subsidiaries and 130 foreign subsidiaries. These facilities are located in Japan, China, Europe, Thailand, Vietnam, the United States, Singapore, Mexico, the Philippines, Indonesia, Taiwan, South Korea, Malaysia, India, Canada, Colombia and Venezuela.

The following table sets forth information, as of March 31, 2011, with respect to our principal manufacturing facilities and other facilities:

Facility name	Location	Floor space (square meters)	Principal products and function
In Japan			
Shiga Technical Center (1)	Shiga	39,576	Development and manufacture of small high-precision motors and general motors. Production engineering and manufacturing base support
Corporate Headquarters and Central Technical Laboratories (1)	Kyoto	36,119	Basic research and development of fluid dynamic bearing technology development
Nidec Servo Corporation (1)	Gunma	34,128	Development and manufacture of other small precision brushless DC motors, brushless DC fans and other small precision motors
Nidec-Shimpo Corporation (1)	Kyoto	29,322	Development and manufacture of machinery
Nidec Techno Motor Corporation Kyushu Technical Center (1)	Fukuoka	27,459	Development and manufacture of general motors for home appliances and industrial use
Nidec Copal Corporation Koriyama Technical Center (1)	Fukushima	24,728	Manufacture of electric and optical components
Nidec Shibaura Corporation (2)	Fukui	24,600	Manufacture of general motors for home appliances and industrial use
Nidec Tosok Corporation Head Office and Technical Center (1)	Kanagawa	23,471	Development and manufacture of machinery
Nidec Sankyo Corporation Ina Facility (1)	Nagano	19,953	Manufacture of machinery
Nagano Technical Center (1)	Nagano	16,784	Development and manufacture of spindle motors for hard disk drives, manufacturing base support, and development of pivot assemblies
Nidec Copal Corporation Shiojiri Factory (1)	Nagano	16,452	Manufacture of machinery
Nidec Tosok Corporation Yamanashi Factory (1)	Yamanashi	16,320	Manufacture of automobile parts

Facility name	Location	Floor space (square meters)	Principal products and function
Outside Japan			
Nidec Philippines Corporation (3)	Philippines	85,302	Manufacture of spindle motors for hard disk drives
Nidec Tosok (Vietnam) Co., Ltd. (2)	Vietnam	55,572	Manufacture of automobile parts
Nidec Shibaura (Zhejiang) Co., Ltd. (5)	China	52,097	Manufacture of general motors for home appliances and industrial use
Nidec (Dalian) Limited (5)	China	50,784	Manufacture of other small precision brushless DC motors, brushless DC fans and general motors for automobiles
Nidec Copal Precision (Vietnam) Corporation (2)	Vietnam	48,000	Manufacture of electronic and optical components
Nidec Motors & Actuators Mexico S. de R.L. de C.V (1)	Mexico	46,769	Manufacture of general motors for automobiles
Nidec Electronics (Thailand) Co., Ltd. Rojana Factory (1)	Thailand	43,230	Manufacture of spindle motors for hard disk drives
Nidec Sankyo (Zhejiang) Corporation (5)	China	43,128	Manufacture of machinery and electronic and optical components
Nidec Electronics (Thailand) Co., Ltd. Rangsit Factory (1)	Thailand	43,110	Manufacture of spindle motors for hard disk drives
Nidec-Shimpo (Zhejiang) Corporation (5)	China	41,678	Manufacture of machinery
Nidec (Zhejiang) Corporation (5)	China	41,000	Manufacture of spindle motors for hard disk drives
Nidec (Dongguan) Limited (4)	China	39,880	Manufacture of other small precision brushless DC motors and brushless DC fans
Nidec Copal (Thailand) Co., Ltd. (1)	Thailand	39,771	Manufacture of electronic and optical components
Nidec Sankyo Electronics (Shaoguan) Co., Ltd. (2)	China	38,000	Manufacture of other small precision brushless DC motors
Nidec Precision (Thailand) Co., Ltd. Rojana Factory (1)	Thailand	37,630	Manufacture of spindle motors for hard disk drives
Nidec Subic Philippines Corporation (2)	Philippines	36,331	Manufacture of spindle motors for hard disk drives
Nidec Vietnam Corporation (2)	Vietnam	36,314	Manufacture of brushless DC fans
Nidec Motor Corporation Mena, AR (1)	U.S.A.	32,000	Manufacture of general motors for home appliances and industrial use
Nidec Motors & Actuators (Germany) GmbH (1)	Germany	31,120	Manufacture of general motors for automobiles
Nidec Automobile Motor (Zhejiang) Corporation (4)	China	30,438	Manufacture of general motors for automobiles
Nidec Brilliant (Suzhou) Co., Ltd. (5)	China	30,268	Manufacture of other small precision motors
Nidec Copal (Zhejiang) Co., Ltd. (5)	China	28,949	Manufacture of machinery and electronic and optical components
Nidec Shibaura Electronics (Thailand) Co., Ltd.(1)	Thailand	28,476	Manufacture and sales of general motors for home appliances and industrial use
Nidec Motor Corporation Paragould, AR (1)	U.S.A.	28,000	Manufacture of general motors for home appliances and industrial use
Nidec Sole Motor Corporation S.R.L. (4)	Italy	27,918	Development and manufacture of general motors for home appliances and industrial use
Nidec (Shaoguan) Limited (4)	China	27,000	Manufacture of other small precision brushless DC motors and brushless DC motors
Nidec Tosok System Engineering (Zhejiang) Corporation (4)	China	26,480	Manufacture of machinery
Nidec Copal Electronics (Zhejiang) Co., Ltd. (5)	China	26,000	Manufacture of electronic and optical components

Facility name	Location	Floor space (square meters)	Principal products and function
Nidec Sankyo Electronics (Dongguan) Corporation (4)	China	25,600	Manufacture of other small precision brushless DC motors, and electronic and optical components
Motores U.S. de Mexico S.A. de C.V. (5)	Mexico	25,000	Manufacture of general motors for home appliances and industrial use
SC WADO Co., Ltd. (5)	Thailand	24,136	Manufacture of spindle motors for hard disk drives
Nidec Precision (Thailand) Co., Ltd. Ayutthaya Factory (1)	Thailand	23,300	Manufacture of spindle motors for hard disk drives
Nidec Sankyo Vietnam Corporation (5)	Vietnam	22,038	Manufacture of other small precision brushless DC motors
Nidec Sankyo (Fuzhou) Corporation (4)	China	20,540	Manufacture of other small precision brushless DC motors
Emerson (China) Motor Co., Ltd. (4)	China	20,000	Manufacture of general motors for home appliances and industrial uses
Nidec Sole Motor Hungary K.F.T. (1)	Hungary	19,489	Manufacture of general motors for home appliances and industrial use
Nidec Bearing (Thailand) Co., Ltd. (1)	Thailand	19,208	Manufacture of components for precision motors
Compania de Motores Domesticos, S.A. de C.V. (1)	Mexico	19,000	Manufacture of general motors for home appliances and industrial use
Nidec Servo Vietnam Corporation (2)	Vietnam	18,000	Manufacture of other small precision brushless DC motors, brushless DC fans and other small precision motors
Nidec Motor Corporation Frankfort, IN (5)	U.S.A.	18,000	Manufacture of general motors for home appliances and industrial use

Notes:

- (1) We own both the property and the facilities.
- (2) We lease the property and own the facilities.
- (3) Nidec Philippines Corporation leases the property from Nidec Development Philippines Corporation, a joint venture company with Prudential BK established for the purpose of purchasing land in the Philippines. We own the facilities.
- (4) We lease both the property and the facilities.
- (5) Facilities are partially owned and partially leased by us.

In addition to the above facilities, we have a number of other smaller factories located worldwide. In Japan, we also have sales and service offices which are located primarily in Tokyo, Nagoya and Osaka.

As of March 31, 2011, the aggregate book value of the land and buildings we owned was ¥110 billion, and the aggregate book value of machinery and equipment we owned was ¥109 billion. In addition to the property we own, we lease other equipment used in our operations.

We consider our manufacturing and other facilities to be well maintained and believe that our plant capacity is sufficient to meet our current requirements and plans. In the fiscal year ended March 31, 2011, we did not experience any material underutilization of our production capacity. Although four plants, one research and development center and three sales offices in the northern part of Japan were closed for up to five days following the earthquake on March 11, 2011, the financial and operational impact of such closures were insignificant.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

A. Operating Results.

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements and related notes and other information included elsewhere in this annual report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Item 3.D Key Information – Risk Factors" and elsewhere in this annual report.

Overview

We are a leading manufacturer of spindle motors for hard disk drives in the world. We manufacture and sell spindle motors for hard disk drives and various other small precision brushless direct current electricity, or DC, motors and other products through 28 subsidiaries in Japan and 130 subsidiaries in other countries, including China, Vietnam, Thailand, the United States, Singapore, Mexico, Germany, the Philippines, Indonesia, Taiwan, South Korea, India, Malaysia, the United Kingdom, Colombia, Italy, Poland, France, Spain, Canada, the Netherlands, Hungary and Venezuela, as of March 31, 2011.

Principal Items in Our Statement of Operations

Net sales. Our net sales are generated primarily from the sales of our products. We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sale price is fixed and collectability is reasonably assured. As such, revenue is generally recognized at the time of delivery to customers in domestic sales and at the time of shipment for export sales with respect to small precision motors, general motors and electronic and optical components, and upon receipt of final customer acceptance with respect to machinery. We maintain data with respect to net sales by product type. We also maintain data with respect to net sales of our products based on the entities which are our operating segments. For a detailed discussion of our operating segments, see "-Segment Information" below.

Cost of products sold. Our cost of sales consists of fixed costs and variable costs, which are primarily material, parts, and manufacturing expenses, including personnel costs, depreciation, and facility maintenance costs. We periodically assess the market value of our inventory based on sales trends and forecasts and technological changes. We write off inventories when it is apparent that there is no possibility of future sales or usage. The write off of inventory is recorded as cost of sales. Fixed costs limit our ability to reduce costs in times of decreased demand, which may have an adverse effect on our operating results.

Selling, general and administrative expenses. Our selling, general and administrative expenses consist primarily of salaries, commissions, and other expenses relating to our selling, general and administrative activities.

Research and development expenses. Research and development expenses primarily related to personnel costs and depreciation of equipment relating to our research and development activities. See "—C. Research and Development, Patents and Licenses, etc."

Other income (expense). Other income (expense) consists primarily of foreign exchange gains or losses and gains or losses from marketable securities.

Effects of Our Recent Acquisition Activities on Our Financial Statements

As discussed under "Item 4.A Information on the Company—History and Development of the Company," we have sought growth by investing in, or acquiring companies with motors, drives and other related products and technologies. Depending on the circumstances, we acquire a majority interest or a substantial minority interest in the target companies. Our approach has been to identify underperforming companies with advanced products and technologies. In the past years, we have acquired substantial interests in a number of major companies, including:

In October 2010, we acquired all of the outstanding shares in Nidec Servo Corporation not already owned by us in exchange for 721,534 shares of our common stock previously held in treasury. Immediately prior to the share exchange transaction, we held a 64.3% ownership interest in Nidec Servo.

In September 2010, we acquired all of the assets, the liabilities and the voting rights of Emerson Electric Co.'s motors and controls business, consisting of manufacturing and sales operations relating to industrial, air conditioning and home appliance motors, for ¥56,528 million in cash. We subsequently renamed the acquired business as Nidec Motor Corporation. Nidec Motor's net sales and operating income for the six months ended March 31, 2011 were ¥35,458 million and ¥143 million, respectively. As of March 31, 2011, Nidec Motor's total assets were ¥62,893 million.

In December 2010, we agreed with Sanyo Electric Co., Ltd. to purchase from Sanyo Electric all of the outstanding shares in Sanyo Seimitsu Co., Ltd. The transaction is expected to close in the fiscal year ending March 31, 2012.

For more information, see Note 4 to our audited consolidated financial statements included elsewhere in this annual report and "Item 3.D. Key Information—Risk Factors—Our growth has been based in part on acquisitions of, or investments in, other companies, and our future growth could be adversely affected if we make acquisitions or investments that fail to achieve their intended benefits, or if we are unable to find suitable acquisition or investment targets."

Effects of Foreign Currency Fluctuations

A significant portion of our business is conducted in currencies other than the yen, most significantly, the U.S. dollar. Our business is thus sensitive to fluctuations in foreign currency exchange rates, especially the yen-U.S. dollar exchange rate. As of March 31, 2009, 2010 and 2011, the exchange rate of the yen against the U.S. dollar was ¥98.23, ¥93.04 and ¥83.15 to the U.S. dollar, respectively. In addition, as a result of our acquisition of Emerson Electric Co.'s motors and controls business in September 2010, we are also exposed to the risk of fluctuations in the exchange rate between the U.S. dollar and the Mexican peso.

Our consolidated financial statements are subject to both translation risk and transaction risk. Translation risk is the risk that our consolidated financial statements for a particular period or for a particular date are affected by changes in the prevailing exchange rates of the currencies in those countries in which we conduct business against the Japanese yen. The translation effect, even if it is substantial, is a reporting consideration and does not reflect our underlying results of operations.

Transaction risk arises when the currency structure of our costs and liabilities deviates from the currency structure of our sales proceeds and assets. A substantial portion of our overseas sales are made in U.S. dollars. While sales denominated in U.S. dollars are, to a significant extent, offset by U.S. dollar denominated costs, we generally have had a significant net long U.S. dollar position. With respect to costs not denominated in U.S. dollars, we believe that we have been able to reduce the level of transaction risk to the extent that our overseas subsidiaries incur costs in currencies that generally follow the U.S. dollar. Transaction risk remains for products sold in U.S. dollars to the extent that we must purchase parts for our products from Japan, the costs for which are denominated in yen.

See “Item 3.D. Key Information—Risk Factors—Because our sales to overseas customers are denominated predominantly in U.S. dollars, we are exposed to exchange rate risks that could harm our results of operations and shareholders’ equity.”

Changes in the fair values of our foreign exchange forward contracts and changes in option prices under our foreign currency option agreements are recognized as gains or losses on derivative instruments in our consolidated statement of income. For a more detailed discussion of these instruments, you should read Item 11 "Quantitative and Qualitative Disclosure About Market Risk" and Note 20 to our audited consolidated financial statements included elsewhere in this annual report.

Effects of Other Significant Recent Developments

Issuance of Convertible Bonds. We issued an aggregate principal amount of ¥100,000 million of euro yen convertible bonds due 2015 on September 21, 2010. The net proceeds of the issuance of convertible bonds were applied towards the repayment of existing short-term borrowings. Through the issuance of corporate bonds, we sought to maintain our financial agility in mergers and acquisitions, research and development activities and facilities investments by reducing interest and other financing expenses.

For a discussion of the impact of the recent earthquake in northern Japan and subsequent events, see "Item 4.B. Information on the Company—Business Overview."

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			
	2009	2010	2011	2011
Net income attributable to Nidec Corporation				
Income from continuing operations attributable to Nidec Corporation	¥30,891	¥52,990	¥54,564	\$656,212
Loss on discontinued operations attributable to Nidec Corporation	(2,538)	(1,029)	(2,231)	(26,831)
Net income attributable to Nidec Corporation ..	¥28,353	¥51,961	¥52,333	\$629,381

As of December 31, 2008, we discontinued our optical pickup unit, or OPU, business which had been included within "electronic and optical components". All prior period OPU amounts have been reclassified to discontinued operations pursuant to the ASC 205-20 "Presentation of Financial Statements-Discontinued Operations".

As of September 30, 2009, we discontinued our semiconductor manufacturing equipment business which had been included within "machinery". All prior period semiconductor manufacturing equipment amounts have been reclassified to discontinued operations pursuant to the ASC 205-20 "Presentation of Financial Statements-Discontinued Operations" to enable comparisons between the relevant amounts for the periods indicated.

As of March 31, 2011, we discontinued our specialty lens unit business, which was established in the year ended March 31, 2010 and was previously included within "electronic and optical components". All prior period specialty lens unit amounts have been reclassified to discontinued operations pursuant to the ASC 205-20 "Presentation of Financial Statements-Discontinued Operations" to enable comparisons between the relevant amounts for the periods indicated.

Net Sales

The following table is a summary of our net sales for the years ended March 31, 2010 and 2011 by product category. For a detailed discussion of our product categories, see "Item 4.B. Information on the Company –Business Overview."

	(Yen in millions)			
	2010	2011	Inc/Dec	%
Net sales:				
Small precision motors:				
Hard disk drives spindle motors.....	¥203,845	¥196,265	¥(7,580)	(3.7)%
Other small precision brushless DC motors.....	75,641	72,541	(3,100)	(4.1)%
Brushless DC fans.....	32,651	33,801	1,150	3.5%
Other small precision motors	18,023	18,883	860	4.8%
Sub-total.....	330,160	321,490	(8,670)	(2.6)%
General motors	73,381	137,251	63,870	87.0%
Machinery	47,966	77,329	29,363	61.2%
Electronic and optical components	105,743	117,843	12,100	11.4%
Others.....	28,779	34,617	5,838	20.3%
Consolidated total.....	¥586,029	¥688,530	¥102,501	17.5%

Our net sales increased ¥102,501 million, or 17.5%, from ¥586,029 million for the year ended March 31, 2010 to ¥688,530 million for the year ended March 31, 2011. This increase was primarily due to the contributions of newly consolidated subsidiaries. Such subsidiaries include Nidec Motor Corporation, the former Emerson Electric Co.'s motors and controls business acquired in September 2010, whose sales were ¥35,458 million for the six months ended March 31, 2011. Such subsidiaries also include Nidec Sole Motor Corporation S.R.L. acquired in January 2010, whose sales were ¥15,429 million for the year ended March 31, 2011 and ¥3,032 million for the three months ended March 31, 2010.

Excluding the impact of the newly consolidated subsidiaries, our net sales increased ¥54,647 million, or 9.4% for the year ended March 31, 2011 compared to the year ended March 31, 2010. This increase was mainly due to increases in sales of our "machinery", "general motors" and "electronic and optical components" product categories, which was offset in part by a decrease in sales of products in the "small precision motors" category. This decrease in sales of small precision motors was primarily due to the appreciation of the Japanese yen against the U.S. dollar.

The strong Japanese yen particularly against the U.S. dollar has had, and is expected to continue to have, an adverse impact on our results of operations and financial condition, particularly net sales and shareholders' equity, as unit prices of many of our products are denominated in U.S. dollars and we have expanded, and continue to seek opportunities to expand, our overseas operations. For example, on September 30, 2010, we acquired Emerson Electric Co.'s motors and controls business, as described below. Appreciation of the Japanese yen against other currencies will also affect our foreign currency translation adjustments, which will in turn negatively affect our shareholders' equity.

(Small precision motors)

Net sales of small precision motors decreased ¥8,670 million, or 2.6%, from ¥330,160 million for the year ended March 31, 2010 to ¥321,490 million for the year ended March 31, 2011. Net sales of each product category included in "small precision motors" are as discussed below.

Hard disk drives spindle motors

Net sales of hard disk drives spindle motors decreased ¥7,580 million, or 3.7%, from ¥203,845 million for the year ended March 31, 2010 to ¥196,265 million for the year ended March 31, 2011. This decrease was mainly due to an approximately 8% decrease in average unit price of hard disk drives spindle motors on a Japanese yen basis, which was partially offset by an approximately 5% increase in units sold of hard disk drives spindle motors for the year ended March 31, 2011. On a U.S. dollar basis, our average unit price of hard disk drives spindle motors decreased by approximately 1% for the year ended March 31, 2011.

Although units sold of spindle motors for 2.5-inch hard disk drives increased approximately 14%, units sold of spindle motors for 3.5-inch hard disk drives decreased approximately 2% for the year ended March 31, 2011 compared to the year ended March 31, 2010. Although sales of spindle motors for 2.5-inch hard disk drives increased approximately 1%, sales of spindle motors for 3.5-inch hard disk drives decreased approximately 7% for the year ended March 31, 2011 compared to the year ended March 31, 2010.

Net sales of hard disk drives spindle motors accounted for 34.8% of total net sales for the year ended March 31, 2010 and 28.5% of total net sales for the year ended March 31, 2011.

Other small precision brushless DC motors

Net sales of our other small precision brushless DC motors decreased ¥3,100 million, or 4.1%, from ¥75,641 million for the year ended March 31, 2010 to ¥72,541 million for the year ended March 31, 2011. This

decrease was mainly due to an approximately 19% decrease in average unit price of small precision brushless DC motors for optical disk drives on a Japanese yen basis, which was partially offset by an approximately 2% increase in units sold of small precision brushless DC motors for optical disk drives for the year ended March 31, 2011.

Net sales of our other small precision brushless DC motors accounted for 12.9% of total net sales for the year ended March 31, 2010 and 10.5% of total net sales for the year ended March 31, 2011.

Brushless DC fans

Net sales of brushless DC fans increased ¥1,150 million, or 3.5%, from ¥32,651 million for the year ended March 31, 2010 to ¥33,801 million for the year ended March 31, 2011. This increase was mainly due to an approximately 11% increase in units sold of brushless DC fans, which was partially offset by an approximately 8% decrease in average unit price of brushless DC fans on a Japanese yen basis for the year ended March 31, 2011 compared to the year ended March 31, 2010.

Net sales of brushless DC fans accounted for 5.6% of total net sales for the year ended March 31, 2010 and 4.9% of total net sales for the year ended March 31, 2011.

Other small precision motors

Net sales of other small precision motors increased ¥860 million, or 4.8%, from ¥18,023 million for the year ended March 31, 2010 to ¥18,883 million for the year ended March 31, 2011.

Net sales of other small precision motors accounted for 3.1% of total net sales for the year ended March 31, 2010 and 2.8% of total net sales for the year ended March 31, 2011.

(General motors)

From the second quarter of the year ended March 31, 2011, this product category has been renamed from "mid-size motors" to "general motors," due to the addition of "large-size motors for industrial use" to this category following our acquisition of Emerson Electric Co.'s motors and controls business on September 30, 2010. The "general motors" product category currently consists of general motors for home appliances, general motors for industrial use, and general motors for automobiles.

Net sales of our general motors increased ¥63,870 million, or 87.0%, from ¥73,381 million for the year ended March 31, 2010 to ¥137,251 million for the year ended March 31, 2011. This increase was mainly due to the contributions of the newly consolidated subsidiaries. Such subsidiaries include Nidec Motor Corporation, the former Emerson Electric Co.'s motors and controls business acquired in September 2010, whose sales were ¥35,458 million for the six months ended March 31, 2011. Such subsidiaries also include Nidec Sole Motor Corporation S.R.L. acquired in January 2010, whose sales were ¥15,429 million for the year ended March 31, 2011 and ¥3,032 million for the three months ended March 31, 2010. Excluding the impact of the newly consolidated subsidiaries, sales of general motors for home appliances and industrial use and sales of general motors for automobiles increased ¥8,035 million and ¥7,981 million, or 23% and 23%, respectively, for the year ended March 31, 2011 compared to the year ended March 31, 2010. Within the "general motors for automobiles" product category, sales of general motors for electric power steering and sales at Nidec Motors & Actuators, respectively, increased for the year ended March 31, 2011 compared to the year ended March 31, 2010.

Net sales of our general motors accounted for 12.5% of our total net sales for the year ended March 31, 2010 and 20.0% of total net sales for the year ended March 31, 2011.

(Machinery)

Net sales of our machinery increased ¥29,363 million, or 61.2%, from ¥47,966 million for the year ended March 31, 2010 to ¥77,329 million for the year ended March 31, 2011. The increase in net sales of machinery was mainly due to an increase in sales of LCD panel handling robots and card readers at the Nidec Sankyo group of ¥11,658 million, or 54%, for the year ended March 31, 2011 compared to the year ended March 31, 2010. The increase in net sales of machinery was also due in part to an increase in sales of electronic circuit testing systems at the Nidec-Read group of ¥5,830 million, or 83%, mainly reflecting increasing demand for digital equipment, such as smartphones, an increase in sales of machinery at the Nidec-Shimpo group of ¥4,501 million, or 51%, mainly reflecting increasing demand in developing countries, and an increase in sales of press machines for electronic components at Nidec-Kyori group of ¥4,136 million, or 96%, for the year ended March 31, 2011 compared to the year ended March 31, 2010. Sales of peripheral equipment for chip mounters at the Nidec Copal group and sales of measuring and inspection machines for air conditioning compressors at the Nidec Tosok group increased ¥1,683 million and ¥1,138 million, or 51% and 46%, respectively, for the year ended March 31, 2011 compared to the year ended March 31, 2010.

Net sales of our machinery accounted for 8.2% of our total net sales for the year ended March 31, 2010 and 11.2% of total net sales for the year ended March 31, 2011.

(Electronic and optical components)

Net sales of our electronic and optical components increased ¥12,100 million, or 11.4%, from ¥105,743 million for the year ended March 31, 2010 to ¥117,843 million for the year ended March 31, 2011. This was mainly due to an increase in sales of electronic components, including circuit components and sensors, at the Nidec Copal Electronics group of ¥5,506 million, or 23%, and an increase in sales of such products as shutters and lens units for digital cameras and mobile phones at the Nidec Copal group of ¥4,115 million, or 8%, for the year ended March 31, 2011 compared to the year ended March 31, 2010. Sales of control device units at the Nidec Sankyo group and sales of plastic-mold products at the Nidec Nissin also increased for the year ended March 31, 2011 compared to the year ended March 31, 2010.

As of March 31, 2011, we discontinued our specialty lens unit business, which we had conducted through Nidec Copal. All prior period specialty lens unit amounts in this annual report have been reclassified to discontinued operations. Net sales of the discontinued operations for the year ended March 31, 2011 and the year ended March 31, 2010 were ¥5,120 million and ¥1,430 million, respectively.

Net sales of our electronic and optical components accounted for 18.0% of our total net sales for the year ended March 31, 2010 and 17.1% of our total net sales for the year ended March 31, 2011.

(Others)

Net sales of our other products increased ¥5,838 million, or 20.3%, from ¥28,779 million for the year ended March 31, 2010 to ¥34,617 million for the year ended March 31, 2011. This was primarily due to an increase in sales of automotive parts at the Nidec Tosok group of ¥5,197 million, or 25%, for the year ended March 31, 2011 compared to the year ended March 31, 2010. Sales from the logistics and services related businesses also increased for the year ended March 31, 2011 compared to the year ended March 31, 2010. Sales of pivot assemblies for hard disk drives, however, decreased ¥1,002 million, or 38%, for the year ended March 31, 2011 compared to the year ended March 31, 2010.

Net sales of our other products accounted for 4.9% of our total net sales for the year ended March 31, 2010 and 5.0% of total net sales for the year ended March 31, 2011.

Cost of Products Sold

Our cost of products sold increased ¥78,135 million, or 18.0%, from ¥435,035 million for the year ended March 31, 2010 to ¥513,170 million for the year ended March 31, 2011. Excluding the impact of the newly consolidated subsidiaries, our cost of products sold increased ¥35,882 million from ¥432,356 million for the year ended March 31, 2010 to ¥468,238 million for the year ended March 31, 2011. This increase mainly corresponded to the overall increase in sales.

As a percentage of net sales, cost of products sold increased from 74.2% for the year ended March 31, 2010 to 74.5% for the year ended March 31, 2011. Excluding the impact of the recently consolidated subsidiaries, as a percentage of net sales, cost of products sold decreased from 74.2% for the year ended March 31, 2010 to 73.4% for the year ended March 31, 2011. This decrease was primarily due to cost reductions achieved through our streamlining of manufacturing processes, increased in-sourcing of product manufacturing, enhanced economies of scale, and an increase in unit volumes of products with higher margins.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses increased ¥8,820 million, or 18.4%, from ¥48,025 million for the year ended March 31, 2010 to ¥56,845 million for the year ended March 31, 2011. Excluding the impact of the newly consolidated subsidiaries, our selling, general and administrative expenses increased ¥4,664 million from ¥47,749 million for the year ended March 31, 2010 to ¥52,413 million for the year ended March 31, 2011. This increase was mainly due to increases in personnel expenses.

As a percentage of net sales, selling, general and administrative expenses increased from 8.2% for the year ended March 31, 2010 to 8.3% for the year ended March 31, 2011.

Research and Development Expenses

Our research and development expenses increased ¥3,532 million, or 14.4%, from ¥24,456 million for the year ended March 31, 2010 to ¥27,988 million for the year ended March 31, 2011. Excluding the impact of the newly consolidated subsidiaries, our research and development expenses increased ¥2,168 million from ¥24,392 million for the year ended March 31, 2010 to ¥26,560 million for the year ended March 31, 2011. This increase was due mainly to our increased investments in research and development activities relating to the "small precision motors" and "general motors for automobiles" product categories.

As a percentage of net sales, research and development expenses decreased from 4.2% for the year ended March 31, 2010 to 4.1% for the year ended March 31, 2011.

Operating Income

As a result of the foregoing factors, our operating income increased ¥12,014 million, or 15.3%, from ¥78,513 million for the year ended March 31, 2010 to ¥90,527 million for the year ended March 31, 2011.

As a percentage of net sales, operating income decreased from 13.4% for the year ended March 31, 2010 to 13.1% for the year ended March 31, 2011.

Other Income (Expense)

Our other expenses increased ¥7,672 million, or 230.4%, from ¥3,330 million for the year ended March 31, 2010 to ¥11,002 million for the year ended March 31, 2011. Excluding the impact of the newly consolidated subsidiaries, our other expenses increased ¥7,705 million from ¥3,280 million for the year ended March 31, 2010 to ¥10,985 million for the year ended March 31, 2011.

Our foreign exchange loss increased ¥6,239 million, or 210.9%, from ¥2,958 million for the year ended March 31, 2010 to ¥9,197 million for the year ended March 31, 2011. This increase was principally due to the appreciation in the value of the Japanese yen against relevant foreign currencies compared to the previous year. The exchange rate of the Japanese yen against the U.S. dollar as of March 31, 2009, 2010 and 2011 was ¥98.23, ¥93.04 and ¥83.15, respectively. Foreign exchange fluctuations can have a significant impact on our results of operations and financial condition, as we have a substantial amount of U.S. dollar-based purchases of inventory and sales of products.

Income from Continuing Operations before Income Taxes

As a result of the foregoing, our income from continuing operations before income taxes increased ¥4,342 million, or 5.8%, from ¥75,183 million for the year ended March 31, 2010 to ¥79,525 million for the year ended March 31, 2011.

As a percentage of net sales, our income from continuing operations before income taxes decreased from 12.8% for the year ended March 31, 2010 to 11.5% for the year ended March 31, 2011.

Income Taxes

Our income taxes increased ¥1,003 million, or 5.7%, from ¥17,530 million for the year ended March 31, 2010 to ¥18,533 million for the year ended March 31, 2011.

The effective income tax rate for the year ended March 31, 2010 and 2011 was stable at 23.3%. The fluctuation of the components of effective tax rate was primarily due to an increase in liabilities for unrecognized tax benefits and tax benefit in foreign subsidiaries, which offset by decreases in tax (benefit) on undistributed earnings and valuation allowance decreased.

For a detailed discussion of our income taxes, see Note 17 to our consolidated financial statements included elsewhere in this annual report.

Equity in Net Income (Loss) of Affiliated Companies

We had equity in net income of affiliated companies in the amount of ¥6 million for the year ended March 31, 2011, compared to equity in net loss of affiliated companies in the amount of ¥45 million for the year ended March 31, 2010.

Income from Continuing Operations

As a result of the foregoing, our income from continuing operations increased ¥3,390 million, or 5.9%, from ¥57,608 million for the year ended March 31, 2010 to ¥60,998 million for the year ended March 31, 2011.

As a percentage of net sales, our income from continuing operations decreased from 9.8% for the year ended March 31, 2010 to 8.9% for the year ended March 31, 2011.

Loss on Discontinued Operations

Our loss on discontinued operations increased ¥2,049 million, or 140.6%, from ¥1,457 million for the year ended March 31, 2010 to ¥3,506 million for the year ended March 31, 2011.

We discontinued the optical pickup unit business of the Nidec Sankyo group as of December 31, 2008, the semiconductor manufacturing equipment business of the Nidec Tosok group as of September 30, 2009 and

the specialty lens unit business of the Nidec Copal group as of March 31, 2011.

For a detailed discussion of our loss on discontinued operations, see Note 24 to our consolidated financial statements included elsewhere in this annual report.

Consolidated Net Income

As a result of the foregoing, our consolidated net income increased ¥1,341 million, or 2.4%, from ¥56,151 million for the year ended March 31, 2010 to ¥57,492 million for the year ended March 31, 2011.

Net Income Attributable to Noncontrolling Interests

Our net income attributable to noncontrolling interests increased ¥969 million, or 23.1%, from ¥4,190 million for the year ended March 31, 2010 to ¥5,159 million for the year ended March 31, 2011. This increase was primarily due to increases in net income of some of our group companies that had noncontrolling interests, including the Nidec Sankyo group, the Nidec Tosok group, the Nidec Copal Electronics group, despite a decrease in net income of the Nidec Copal group.

Net Income Attributable to Nidec Corporation

As a result of the foregoing, our net income attributable to Nidec Corporation increased ¥372 million, or 0.7%, from ¥51,961 million for the year ended March 31, 2010 to ¥52,333 million for the year ended March 31, 2011.

As a percentage of net sales, our net income attributable to Nidec Corporation decreased from 8.9% for the year ended March 31, 2010 to 7.6% for the year ended March 31, 2011.

Results of Operations – Year Ended March 31, 2010 Compared to Year Ended March 31, 2009

Net Sales

The following table is a summary of our net sales for the fiscal years ended March 31, 2009 and 2010 by product category. For a detailed discussion of our product categories, see “Item 4B Information on the Company –Business Overview”

	(Yen in millions)			
	2009	2010	Inc/Dec	%
Net sales:				
Small precision motors:				
Hard disk drives spindle motors.....	¥181,255	¥203,845	¥22,590	12.5%
Other small precision brushless DC motors.....	73,187	75,641	2,454	3.4%
Brushless DC fans.....	37,345	32,651	(4,694)	(12.6)%
Other small precision motors.....	22,286	18,023	(4,263)	(19.1)%
Sub-total.....	314,073	330,160	16,087	5.1%
General motors.....	77,156	73,381	(3,775)	(4.9)%
Machinery.....	69,435	47,966	(21,469)	(30.9)%
Electronic and optical components.....	122,552	105,743	(16,809)	(13.7)%
Others.....	27,587	28,779	1,192	4.3%
Consolidated total.....	¥610,803	¥586,029	¥(24,774)	(4.1)%

Our net sales decreased ¥24,774 million, or 4.1%, from ¥610,803 million for the year ended March 31, 2009 to ¥586,029 million for the year ended March 31, 2010. This decrease was primarily due to a decrease in our sales of machinery attributable to stagnant capital investment by our customers globally, a decrease in sales of electronic and optical components attributable to the world-wide economic slowdown that resulted in a decrease in demand for our products, and the yen appreciating against the U.S. dollar and Euro, the effect of which was partially offset by an increase in our sales of small precision motors mainly due to rapidly increasing customer demand in newly emerging markets for the fiscal year ended March 31, 2010.

(Small precision motors)

Net sales of small precision motors increased ¥16,087 million, or 5.1%, from ¥314,073 million for the year ended March 31, 2009 to ¥330,160 million for the year ended March 31, 2010. Net sales of each product category included in “small precision motors” are as discussed below.

Hard disk drives spindle motors

Net sales of our hard disk drives, or HDD, spindle motors increased ¥22,590 million, or 12.5%, from ¥181,255 million for the year ended March 31, 2009 to ¥203,845 million for the year ended March 31, 2010. This increase was mainly due to an approximately 32% increase in units sold of HDD spindle motors, which was partially offset by an approximately 15% decrease in average unit price of HDD spindle motors on a Japanese yen basis for the year ended March 31, 2010. On a U.S. dollar basis, our average unit price of HDD spindle motors decreased by approximately 8% for the year ended March 31, 2010.

Customer demand for HDD spindle motors significantly increased during the fiscal year ended March 31, 2010 compared to the previous fiscal year, with our units sold of spindle motors for 2.5-inch and 3.5-inch HDDs increasing approximately 41% and 27%, respectively. Demand for spindle motors for 2.5-inch HDDs has increased significantly since the beginning of the fiscal year ended March 31, 2010.

Net sales of HDD spindle motors accounted for 29.7% of total net sales for the year ended March 31, 2009 and 34.7% of total net sales for the year ended March 31, 2010.

Other small precision brushless DC motors

Net sales of our other small precision brushless DC motors increased ¥2,454 million, or 3.4%, from ¥73,187 million for the year ended March 31, 2009 to ¥75,641 million for the year ended March 31, 2010. This increase was mainly due to an increase in sales of brushless DC motors for optical disk drives.

Net sales of our other small precision brushless DC motors accounted for 12.0% of total net sales for the year ended March 31, 2009 and 12.9% of total net sales for the year ended March 31, 2010.

Brushless DC fans

Net sales of brushless DC fans decreased ¥4,694 million, or 12.6%, from ¥37,345 million for the year ended March 31, 2009 to ¥32,651 million for the year ended March 31, 2010. This decrease was mainly due to a decrease in average unit price of brushless DC fans and the yen appreciating against the U.S. dollar.

Net sales of brushless DC fans accounted for 6.1% of total net sales for the year ended March 31, 2009 and 5.6% of total net sales for the year ended March 31, 2010.

Other small precision motors

Net sales of other small precision motors decreased ¥4,263 million, or 19.1%, from ¥22,286 million

for the year ended March 31, 2009 to ¥18,023 million for the year ended March 31, 2010. This decrease was mainly due to decreases in sales by the Nidec Servo group and the Nidec Component Technology group.

Net sales of other small precision motors accounted for 3.6% of total net sales for the year ended March 31, 2009 and 3.1 % of total net sales for the year ended March 31, 2010.

(General motors)

Net sales of our general motors decreased ¥3,775 million, or 4.9%, from ¥77,156 million for the fiscal year ended March 31, 2009 to ¥73,381 million for the fiscal year ended March 31, 2010. Net sales of general motors for automobiles by Nidec Motors & Actuators group for the year ended March 31, 2010 decreased compared to the year ended March 31, 2009 due to the appreciation of the yen against the U.S. dollar and Euro and the negative effects of the recession in the United States and Europe. Net sales of general motors for home appliances and industrial use also decreased for the year ended March 31, 2010 compared to the previous fiscal year which was mainly due to the appreciation of the Japanese yen against the U.S. dollar. The amount of net sales of general motors for the fiscal year ended March 31, 2010 includes approximately ¥3,000 million of sales at Nidec Sole Motor S.R.L. and its subsidiary, which became our consolidated subsidiaries in January 2010.

Net sales of our general motors accounted for 12.6% of our total net sales for the year ended March 31, 2009 and 12.5% of total net sales for the year ended March 31, 2010.

(Machinery)

Net sales of our machinery decreased ¥21,469 million, or 30.9%, from ¥69,435 million for the fiscal year ended March 31, 2009 to ¥47,966 million for the fiscal year ended March 31, 2010. This decrease was mainly due to stagnant capital investment by our customers globally. Sales at Nidec Sankyo group, a group of subsidiaries manufacturing such products as LCD panel handling robots and card readers decreased approximately ¥10,500 million, or 33%, and sales at the Nidec Copal group, the Nidec-Read group, the Nidec-Shimpo group and the Nidec Tosok group also decreased approximately ¥3,900 million, ¥2,600 million, ¥2,300 million and ¥1,000 million, respectively, for the year ended March 31, 2010 compared to the previous fiscal year.

Net sales of our machinery accounted for 11.4% of our total net sales for the year ended March 31, 2009 and 8.2% of total net sales for the year ended March 31, 2010.

(Electronic and optical components)

Net sales of our electronic and optical components decreased ¥16,809 million, or 13.7%, from ¥122,552 million for the fiscal year ended March 31, 2009 to ¥105,743 million for the year ended March 31, 2010. This decrease was mainly due to the world-wide economic slowdown that resulted in a decrease in demand for our products. Sales at the Nidec Sankyo group of electronic and optical components decreased approximately ¥5,400 million, or 15%, for the fiscal year ended March 31, 2010 compared to the previous fiscal year. Electronic component sales at the Nidec Copal group, and sales at the Nidec Copal Electronics group, a group of subsidiaries manufacturing such products as circuit components and sensors, decreased approximately ¥5,600 million and ¥3,700 million, or 10% and 13%, respectively, for the fiscal year ended March 31, 2010 compared to the previous fiscal year.

Net sales of our electronic and optical components accounted for 20.1% of our total net sales for the year ended March 31, 2009 and 18.0% of our total net sales for the year ended March 31, 2010.

(Others)

Net sales of our other products increased ¥1,192 million, or 4.3%, from ¥27,587 million for the fiscal year ended March 31, 2009 to ¥28,779 million for the fiscal year ended March 31, 2010. Net sales of automotive parts at the Nidec Tosok group increased approximately ¥3,600 million, or 21%, for the same period. Net sales of pivot assemblies and other sales related to services decreased for the fiscal year ended March 31, 2010 compared to the previous fiscal year.

Net sales of our other products accounted for 4.5% of our total net sales for the year ended March 31, 2009 and 4.9% of total net sales for the year ended March 31, 2010.

Cost of Products Sold

Our cost of products sold decreased ¥45,440 million, or 9.5%, from ¥480,475 million for the year ended March 31, 2009 to ¥435,035 million for the year ended March 31, 2010. This decrease was primarily due to cost reductions achieved through streamlining our manufacturing processes, increased in-sourcing of product manufacturing, enhanced economies of scale and improved material procurement management. Other factors contributing to the decrease in cost of products sold include lower sales and associated expenses, and an increase in unit volume of products manufactured at lower costs.

As a percentage of net sales, cost of products sold decreased from 78.7% for the year ended March 31, 2009 to 74.2% for the year ended March 31, 2010.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses decreased ¥3,463 million, or 6.7%, from ¥51,488 million for the year ended March 31, 2009 to ¥48,025 million for the year ended March 31, 2010. This decrease was mainly due to decreases in personnel expenses and traveling expenses.

As a percentage of net sales, selling, general and administrative expenses decreased from 8.4% for the year ended March 31, 2009 to 8.2% for the year ended March 31, 2010.

Research and Development Expenses

Our research and development expenses decreased ¥2,369 million, or 8.8%, from ¥26,825 million for the year ended March 31, 2009 to ¥24,456 million for the year ended March 31, 2010. This decrease was primarily due to our cost reduction measures in response to the recent world-wide recession, although research and development expenses relating to mid-size motors for automobiles increased in response to increased demand for our new products for electric vehicles and hybrid electric vehicles.

As a percentage of net sales, research and development expenses decreased from 4.4% for the year ended March 31, 2009 to 4.2% for the year ended March 31, 2010.

Operating Income

As a result of the foregoing factors, our operating income increased ¥26,498 million, or 50.9%, from ¥52,015 million for the year ended March 31, 2009 to ¥78,513 million for the year ended March 31, 2010.

As a percentage of net sales, operating income increased from 8.5% for the year ended March 31, 2009 to 13.4% for the year ended March 31, 2010.

Other Income (Expense)

Our other expenses decreased ¥1,415 million, or 29.8%, from ¥4,745 million for the fiscal year ended March 31, 2009 to ¥3,330 million for the fiscal year ended March 31, 2010. This decrease was mainly due to reductions in losses on marketable securities and foreign exchange loss, partially offset by a decrease in net interest income and a decrease in dividend income.

We had gains from marketable securities in the amount of ¥52 million for the fiscal year ended March 31, 2010, compared to losses on marketable securities in the amount of ¥1,305 million for the fiscal year ended March 31, 2009. This improvement was mainly due to a decrease in other-than-temporary losses on marketable securities from ¥1,617 million for the fiscal year ended March 31, 2009 to ¥273 million for the fiscal year ended March 31, 2010.

Our foreign exchange loss decreased ¥725 million, or 19.7%, from ¥3,683 million for the fiscal year ended March 31, 2009 to ¥2,958 million for the fiscal year ended March 31, 2010. This decrease was principally due to the appreciation in the value of the yen against relevant foreign currencies compared to the previous fiscal year. The exchange rate of the yen against the U.S. dollar as of March 31, 2008, 2009 and 2010 was ¥100.19, ¥98.23 and ¥93.04, respectively.

Income from Continuing Operations before Income Taxes

As a result of the foregoing, our income from continuing operations before income taxes increased ¥27,913 million, or 59.1%, from ¥47,270 million for the fiscal year ended March 31, 2009 to ¥75,183 million for the fiscal year ended March 31, 2010.

Income Taxes

Our income taxes increased ¥5,055 million, or 40.5%, from ¥12,475 million for the fiscal year ended March 31, 2009 to ¥17,530 million for the fiscal year ended March 31, 2010.

The effective income tax rate for the fiscal year ended March 31, 2010 was 23.3%, compared with the effective income tax rate of 26.4% for the fiscal year ended March 31, 2009. The lower effective income tax rate was primarily due to a net impact of a decrease in the impact on the effective tax rate of the valuation allowance and tax benefit in foreign subsidiaries.

For a detailed discussion of our income taxes, see Note 17 to our consolidated financial statements included elsewhere in this annual report.

Equity in Net Loss of Affiliated Companies

Equity in net loss of affiliated companies decreased ¥3 million, or 6.3%, from ¥48 million for the fiscal year ended March 31, 2009 to ¥45 million for the fiscal year ended March 31, 2010.

Income from Continuing Operations

As a result of the foregoing, our income from continuing operations increased ¥22,861 million, or 65.8%, from ¥34,747 million for the fiscal year ended March 31, 2009 to ¥57,608 million for the fiscal year ended March 31, 2010.

As a percentage of net sales, our income from continuing operations increased from 5.7% for the fiscal year ended March 31, 2009 to 9.8% for the fiscal year ended March 31, 2010.

Loss on Discontinued Operations

Our loss on discontinued operations decreased ¥2,055 million, or 58.5%, from ¥3,512 million for the fiscal year ended March 31, 2009 to ¥1,457 million for the fiscal year ended March 31, 2010.

We discontinued the optical pickup unit business of Nidec Sankyo Corporation as of December 31, 2008, the semiconductor manufacturing equipment business of Nidec Tosok Corporation as of September 30, 2009, and the specialty lens unit business of Nidec Copal Corporation as of March 31, 2011.

For a detailed discussion of our loss on discontinued operations, see Note 24 to our consolidated financial statements included elsewhere in this annual report.

Consolidated Net Income

As a result of the foregoing, our consolidated net income increased ¥24,916 million, or 79.8%, from ¥31,235 million for the fiscal year ended March 31, 2009 to ¥56,151 million for the fiscal year ended March 31, 2010.

Net Income Attributable to Noncontrolling Interests

Our net income attributable to noncontrolling interests increased ¥1,308 million, or 45.4%, from ¥2,882 million for the fiscal year ended March 31, 2009 to ¥4,190 million for the fiscal year ended March 31, 2010. This increase was primarily due to increases in net income of some of our group companies that had noncontrolling interests, including Nidec Sankyo Corporation, Nidec Copal Corporation, Nidec Servo Corporation and their respective subsidiaries.

Net Income Attributable to Nidec Corporation

As a result of the foregoing, our net income attributable to Nidec Corporation increased ¥23,608 million, or 83.3%, from ¥28,353 million for the fiscal year ended March 31, 2009 to ¥51,961 million for the fiscal year ended March 31, 2010.

As a percentage of net sales, our net income attributable to Nidec Corporation increased from 4.6% for the fiscal year ended March 31, 2009 to 8.9% for the fiscal year ended March 31, 2010.

Segment Information

Based on the applicable criteria set forth in ASC 280, "Segment Reporting", we have 14 reportable operating segments on which we report in our consolidated financial statements. For the information required by ASC 280, see Note 25 to our audited consolidated financial statements included elsewhere in this annual report.

Beginning in the quarterly reporting period ended September 30, 2010, we changed our segment reporting so that it is in line with the changes we recently made in our management decision-making process. Our acquired subsidiaries have been included in our segments for internal management reporting to the chief operating decision maker and external reporting. Because the number of our subsidiaries has been increasing due to our recent acquisitions such as our acquisition of Emerson Electric Co.'s motors and controls business on September 30, 2010, we have made modifications to our management style that are designed to enhance profitability at each group company level. The current segment reporting is based on our modified management decision-making process. All prior period segment information has been reclassified in accordance with the current period presentation to enable comparisons between the relevant amounts for the years ended March 31, 2009, 2010 and 2011. We have also changed our abbreviations for the reporting

segments, as described below.

We acquired Emerson Electric Co.'s motors and controls business on September 30, 2010. The acquired business has been identified as a reportable operating segment, the Nidec Motor segment, since the quarterly reporting period ended December 31, 2010.

The Nidec Corporation (formerly NCJ) segment comprises Nidec Corporation in Japan, which primarily produces and sells hard disk drives spindle motors, DC motors, fans, and general motors for automobiles.

The Nidec Electronics (Thailand) (formerly NET) segment comprises Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drive motors.

The Nidec (Zhejiang) (formerly NCC) segment comprises Nidec (Zhejiang) Corporation, a subsidiary in China, which primarily produces and sells hard disk drive motors.

The Nidec (Dalian) (formerly NCD) segment comprises Nidec (Dalian) Limited, a subsidiary in China, which primarily produces and sells DC motors and fans but excludes its general motors business for automobiles.

The Nidec Singapore (formerly NCS) segment comprises Nidec Singapore Pte. Ltd., a subsidiary in Singapore, and its consolidated subsidiary, which primarily sell hard disk drive motors, DC motors, fans, and pivot assemblies.

The Nidec (H.K.) (formerly NCH) segment comprises Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, which primarily sells hard disk drive motors, DC motors and fans.

The Nidec Philippines (formerly NCF) segment comprises Nidec Philippines Corporation, a subsidiary in the Philippines, and its consolidated subsidiary, which primarily produce and sell hard disk drive motors.

The Nidec Sankyo (formerly NSNK) segment comprises Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell DC motors, machinery, and electronic parts.

The Nidec Copal (formerly NCPL) segment comprises Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell optical and electronic parts and machinery.

The Nidec Tosok (formerly NTSC) segment comprises Nidec Tosok Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell automotive parts and machinery.

The Nidec Copal Electronics (formerly NCEL) segment comprises Nidec Copal Electronics Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell electronic parts.

The Nidec Techno Motor (formerly NTMC) segment comprises Nidec Techno Motor Holdings Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell general motors for home appliances and industrial use.

The Nidec Motor (formerly NMC) segment comprises Nidec Motor Holdings Corporation, a subsidiary in Japan, and other subsidiaries in North America, Latin America Asia and Europe, which primarily

produce and sell general motors for home appliances and industrial use.

The Nidec Motors & Actuators (formerly NMA) segment comprises Nidec Motors & Actuators in France, other subsidiaries in Europe and North America, and other manufacturing subsidiaries in China, which primarily produce and sell general motors for automobiles.

The All Others segment comprises subsidiaries that are operating segments but not designated as reportable segments due to their immateriality.

The Nidec Servo Corporation (formerly NSRV) segment was no longer identified as a reportable segment in the period ended September 30, 2010, due to its immateriality. The former segment's amounts have been reclassified to the All Others segment for all periods presented.

In accordance with ASC 205-20, "Presentation of Financial Statements-Discontinued Operations", amounts in the segment information do not reflect discontinued operations, and previous years' segment information has been reclassified.

We evaluate performance based on segmental profit and loss, which consists of sales and operating revenues less operating expenses. All segmental operating income or loss is accounted for under Japanese GAAP, except for Nidec Electronics (Thailand), Nidec (Zhejiang), Nidec (Dalian), Nidec Singapore, Nidec (H.K), Nidec Philippines, Nidec Motor and Nidec Motors & Actuators. Therefore, our segmental data has not been prepared under U.S. GAAP on a basis that is consistent with our consolidated financial statements or on any other single basis that is consistent between segments. There are several differences between U.S. GAAP and the underlying accounting bases used by management. The principal differences that affect segmental operating income or loss include accounting for pension and severance costs, and leases. Our segmental operating income or loss is presented in accordance with financial reporting principles and practices generally accepted in Japan. Management believes that monthly segmental information is available on a timely basis, and that it is sufficiently accurate at the segment income or loss level for management's purposes.

The first of the following two tables shows net sales to external customers and other operating segments by reportable operating segment for the years ended March 31, 2009, 2010 and 2011. The second table shows operating income or loss by reportable operating segment, which includes inter-segment sales and operating revenues and expenses, for the years ended March 31, 2009, 2010 and 2011:

	Year ended March 31,			
	2009	2010	2011	2011
(Yen in millions and U.S. dollars in thousands)				
Nidec Corporation				
Net sales to external customers	¥62,260	¥67,285	¥72,334	\$869,922
Net sales to other operating segments	72,064	77,125	74,406	894,841
Sub total	134,324	144,410	146,740	1,764,763
Nidec Electronics (Thailand)				
Net sales to external customers	80,247	87,792	81,731	982,935
Net sales to other operating segments	31,125	41,117	42,024	505,400
Sub total	111,372	128,909	123,755	1,488,335
Nidec (Zhejiang)				
Net sales to external customers	18,305	22,948	24,500	294,648
Net sales to other operating segments	2,624	3,589	3,868	46,518
Sub total.....	20,929	26,537	28,368	341,166
Nidec (Dalian)				
Net sales to external customers	7,725	6,976	4,218	50,728
Net sales to other operating segments	26,837	24,274	20,852	250,776

	Year ended March 31,			
	2009	2010	2011	2011
	(Yen in millions and U.S. dollars in thousands)			
Sub total.....	34,562	31,250	25,070	301,504
Nidec Singapore				
Net sales to external customers.....	27,117	26,157	19,082	229,489
Net sales to other operating segments	206	390	451	5,424
Sub total	27,323	26,547	19,533	234,913
Nidec (H.K.)				
Net sales to external customers.....	37,761	50,066	54,731	658,220
Net sales to other operating segments	5,105	3,841	1,453	17,474
Sub total	42,866	53,907	56,184	675,694
Nidec Philippines				
Net sales to external customers.....	7,517	10,891	7,337	88,238
Net sales to other operating segments	24,357	28,019	28,504	342,802
Sub total.....	31,874	38,910	35,841	431,040
Nidec Sankyo				
Net sales to external customers.....	92,186	75,807	91,586	1,101,455
Net sales to other operating segments	648	395	556	6,687
Sub total.....	92,834	76,202	92,142	1,108,142
Nidec Copal				
Net sales to external customers.....	69,451	61,275	65,379	786,278
Net sales to other operating segments	4,872	2,357	2,632	31,654
Sub total.....	74,323	63,632	68,011	817,932
Nidec Tosok				
Net sales to external customers.....	20,188	23,345	29,745	357,727
Net sales to other operating segments	139	156	201	2,417
Sub total.....	20,327	23,501	29,946	360,144
Nidec Copal Electronics				
Net sales to external customers.....	28,429	24,954	30,553	367,444
Net sales to other operating segments	43	31	27	325
Sub total.....	28,472	24,985	30,580	367,769
Nidec Techno Motor				
Net sales to external customers.....	41,341	38,062	58,363	701,900
Net sales to other operating segments	834	818	877	10,547
Sub total.....	42,175	38,880	59,240	712,447
Nidec Motor				
Net sales to external customers.....	-	-	35,458	426,434
Net sales to other operating segments	-	-	-	-
Sub total.....	-	-	35,458	426,434
Nidec Motor & Actuators				
Net sales to external customers.....	34,348	32,186	38,371	461,467
Net sales to other operating segments	7,548	9,432	6,702	80,601
Sub total.....	41,896	41,618	45,073	542,068
All Others				
Net sales to external customers.....	79,781	59,206	74,750	898,978
Net sales to other operating segments	59,279	70,634	73,294	881,467
Sub total.....	139,060	129,840	148,044	1,780,445
Total				
Net sales to external customers.....	606,656	586,950	688,138	8,275,863

	Year ended March 31,			
	2009	2010	2011	2011
	(Yen in millions and U.S. dollars in thousands)			
Net sales to other operating segments	235,681	262,178	255,847	3,076,933
Adjustments (*).....	4,147	(921)	392	4,714
Inter segment elimination	(235,681)	(262,178)	(255,847)	(3,076,933)
Consolidated total (net sales)	¥610,803	¥586,029	¥688,530	\$8,280,577

(*) See Note 25 to our audited consolidated financial statements included elsewhere in this annual report.

	Year ended March 31,			
	2009	2010	2011	2011
	(Yen in millions and U.S. dollars in thousands)			
Operating income or loss:				
Nidec Corporation	¥7,315	¥8,066	¥6,799	\$81,768
Nidec Electronics (Thailand)	15,629	22,674	22,025	264,883
Nidec (Zhejiang)	(324)	1,946	1,916	23,043
Nidec (Dalian).....	2,913	4,808	2,658	31,966
Nidec Singapore	178	319	245	2,946
Nidec (H.K.)	554	608	542	6,518
Nidec Philippines	2,321	6,939	5,403	64,979
Nidec Sankyo	5,705	7,389	11,253	135,334
Nidec Copal	4,832	6,075	9,188	110,499
Nidec Tosok	1,655	2,825	4,009	48,214
Nidec Copal Electronics	2,760	2,422	4,969	59,759
Nidec Techno Motor	1,469	1,951	4,115	49,489
Nidec Motor	-	-	143	1,720
Nidec Motors & Actuators	(407)	553	1,274	15,322
All Others	7,881	12,311	15,970	192,062
Total.....	52,481	78,886	90,509	1,088,502
Adjustments (*).....	(466)	(373)	18	217
Consolidated total.....	¥52,015	¥78,513	¥90,527	\$1,088,719

(*) See Note 25 to our audited consolidated financial statements included elsewhere in this annual report.

Net sales of Nidec Corporation increased ¥2,330 million, or 1.6%, from ¥144,410 million for the year ended March 31, 2010 to ¥146,740 million for the year ended March 31, 2011. The main reason for this increase was an increase in demand for hard disk drives spindle motors and general motors. Net sales to external customers of Nidec Corporation increased ¥5,049 million, or 7.5%, from ¥67,285 million for the year ended March 31, 2010 to ¥72,334 million for the year ended March 31, 2011. Inter segment revenues of Nidec Corporation decreased ¥2,719 million, or 3.5%, from ¥77,125 million for the year ended March 31, 2010 to ¥74,406 million for the year ended March 31, 2011. Operating income of Nidec Corporation decreased ¥1,267 million, or 15.7%, from ¥8,066 million for the year ended March 31, 2010 to ¥6,799 million for the year ended March 31, 2011. This decrease was due primarily to a decrease in royalty and commission fees from subsidiaries and the negative impact of the appreciation of the Japanese yen against the U.S. dollar.

Net sales of Nidec Corporation increased ¥10,086 million, or 7.5%, from ¥134,324 million for the year ended March 31, 2009 to ¥144,410 million for the year ended March 31, 2010. The main reason for this increase was an increase in demand for hard disk drives spindle motors and other small precision motors. Net sales to external customers of Nidec Corporation increased ¥ 5,025 million, or 8.1%, from ¥62,260 million for

the year ended March 31, 2009 to ¥67,285 million for the year ended March 31, 2010. Inter segment revenues of Nidec Corporation increased ¥5,061 million, or 7.0%, from ¥72,064 million for the year ended March 31, 2009 to ¥77,125 million for the year ended March 31, 2010. Operating income of Nidec Corporation increased ¥751 million, or 10.3%, from ¥7,315 million for the year ended March 31, 2009 to ¥8,066 million for the year ended March 31, 2010. This increase was due primarily to an increase in sales, which more than offsets the negative impact of exchange rate fluctuations.

Net sales of Nidec Electronics (Thailand) decreased ¥5,154 million, or 4.0%, from ¥128,909 million for the year ended March 31, 2010 to ¥123,755 million for the year ended March 31, 2011. This was primarily due to an appreciation of the Japanese yen against the U.S. dollar. Operating income of Nidec Electronics (Thailand) decreased ¥649 million, or 2.9%, from ¥22,674 million for the year ended March 31, 2010 to ¥22,025 million for the year ended March 31, 2011. This was primarily due to the appreciation of the Japanese yen and other Asian currencies against the U.S. dollar and an increase in depreciation expenses as a result of increased investments in manufacturing facilities in Thailand.

Net sales of Nidec Electronics (Thailand) increased ¥ 17,537 million, or 15.7 %, from ¥111,372 million for the year ended March 31, 2009 to ¥128,909 million for the year ended March 31, 2010 due primarily to an increase in the demand for hard disk drives spindle motors. Operating income of Nidec Electronics (Thailand) increased ¥7,045 million, or 45.1%, from ¥15,629 million for the year ended March 31, 2009 to ¥22,674 million for the year ended March 31, 2010. This was due primarily to cost reduction efforts, such as increased in-sourcing of product manufacturing, a decrease in material cost, and an increase in sales of products manufactured at lower costs, in addition to the overall sales growth.

Net sales of Nidec (Zhejiang) increased ¥1,831 million, or 6.9%, from ¥26,537 million for the year ended March 31, 2010 to ¥28,368 million for the year ended March 31, 2011. This increase was due primarily to an increase in demand for hard disk drives spindle motors. Operating income of Nidec (Zhejiang) decreased ¥30 million, or 1.5% from ¥1,946 million for the year ended March 31, 2010 to ¥1,916 million for the year ended March 31, 2011. This decrease was primarily due to an increase in royalty and commission fees to Nidec Corporation in addition to increases in wages.

Net sales of Nidec (Zhejiang) increased ¥ 5,608 million, or 26.8 %, from ¥20,929 million for the year ended March 31, 2009 to ¥26,537 million for the year ended March 31, 2010. This increase was due primarily to an increase in demand for hard disk drives spindle motors. Nidec (Zhejiang) had operating income of ¥1,946 million for the year ended March 31, 2010, compared to an operating loss of ¥324 million for the year ended March 31, 2009. This improvement was due primarily to improved product mix and enhanced efficiency in manufacturing processes, in addition to the overall increase in demand.

Net sales of Nidec (Dalian) decreased ¥6,180 million, or 19.8%, from ¥31,250 million for the year ended March 31, 2010 to ¥25,070 million for the year ended March 31, 2011. This decrease was primarily due to a decrease in sales volume of DC motors as a result of customers' reductions of inventory. Operating income of Nidec (Dalian) decreased ¥2,150 million, or 44.7% from ¥4,808 million for the year ended March 31, 2010 to ¥2,658 million for the year ended March 31, 2011. This decrease was primarily due to increases in wages and raw material costs in addition to lower sales.

Net sales of Nidec (Dalian) decreased ¥3,312 million, or 9.6 %, from ¥34,562 million for the year ended March 31, 2009 to ¥31,250 million for the year ended March 31, 2010. This decrease was due primarily to a decrease in the demand for brushless DC fans. However operating income increased ¥1,895 million, or 65.1% from ¥2,913 million for the year ended March 31, 2009 to ¥4,808 million for the year ended March 31, 2010. In spite of a decrease in sales, operating income increased due to improved product mix and enhanced efficiency in manufacturing processes.

Net sales of Nidec Singapore decreased ¥7,014 million, or 26.4%, from ¥26,547 million for the year ended March 31, 2010 to ¥19,533 million for the year ended March 31, 2011, primarily due to a decreases in

sales volume for DC motors and hard disk drives spindle motors as a result of a major customer's transfer of its manufacturing operations to China. Operating income of Nidec Singapore decreased ¥74 million, or 23.2%, from ¥319 million for the year ended March 31, 2010 to ¥245 million for the year ended March 31, 2011. This was primarily due to a decrease in sales volume.

Net sales of Nidec Singapore decreased ¥776 million, or 2.8%, from ¥27,323 million for the year ended March 31, 2009 to ¥26,547 million for the year ended March 31, 2010. This was due primarily to the negative impact of exchange rate fluctuations, in spite of an increase in sales of small precision motors. Operating income of Nidec Singapore increased ¥141 million, or 79.2%, from ¥178 million for the year ended March 31, 2009 to ¥319 million for the year ended March 31, 2010. This was due primarily to a reduction in selling, general and administrative expenses.

Net sales of Nidec (H.K.) increased ¥2,277 million, or 4.2%, from ¥53,907 million for the year ended March 31, 2010 to ¥56,184 million for the year ended March 31, 2011. This increase was primarily due to an increase in sales of hard disk drives spindle motors as a result of stronger customer demand. Operating income of Nidec (H.K.) decreased ¥66 million, or 10.9%, from ¥608 million for the year ended March 31, 2010 to ¥542 million for the year ended March 31, 2011. This decrease was mainly due to an increase in service fees to other subsidiaries.

Net sales of Nidec (H.K.) increased ¥11,041 million, or 25.8%, from ¥42,866 million for the year ended March 31, 2009 to ¥53,907 million for the year ended March 31, 2010. This increase was due primarily to an increase in demand for hard disk drives spindle motors and DC motors for optical disk drives. In addition, the sales of brushless DC fans and DC motors increased, due to a customer's transfer of its manufacturing operations from Taiwan to China. Operating income of Nidec (H.K.) increased ¥54 million, or 9.7%, from ¥554 million for the year ended March 31, 2009 to ¥608 million for the year ended March 31, 2010. This was due primarily to an increase in sales, partially offset by a lower overall sales margin.

Net sales of Nidec Philippines decreased ¥3,069 million, or 7.9%, from ¥38,910 million for the year ended March 31, 2010 to ¥35,841 million for the year ended March 31, 2011. This decrease was primarily due to a decrease in sales volume of hard disk drives spindle motors as a result of customers' reductions of inventory. Operating income of Nidec Philippines decreased ¥1,536 million, or 22.1%, from ¥6,939 million for the year ended March 31, 2010 to ¥5,403 million for the year ended March 31, 2011. This decrease was mainly due to a decrease in sales volume and the appreciation of the Japanese yen and other Asian currencies against the U.S. dollar.

Net sales of Nidec Philippines increased ¥7,036 million, or 22.1%, from ¥31,874 million for the year ended March 31, 2009 to ¥38,910 million for the year ended March 31, 2010. This increase was due primarily to an increase in demand for hard disk drives spindle motors. Operating income of Nidec Philippines increased ¥4,618 million, or 199.0%, from ¥2,321 million for the year ended March 31, 2009 to ¥6,939 million for the year ended March 31, 2010. The increase in operating income was due to higher sales of the main products manufactured at lower costs with enhanced economies of scale.

Net sales of Nidec Sankyo increased ¥15,940 million, or 20.9%, from ¥76,202 million for the year ended March 31, 2010 to ¥92,142 million for the year ended March 31, 2011. This was due primarily to a significant increase in demand for LCD panel handling robots. Operating income of Nidec Sankyo increased ¥3,864 million, or 52.3%, from ¥7,389 million for the year ended March 31, 2010 to ¥11,253 million for the year ended March 31, 2011. This was primarily due to an increase in sales of products with higher margins and improved production cost management such as factory automation.

Net sales of Nidec Sankyo decreased ¥16,632 million, or 17.9%, from ¥92,834 million for the year ended March 31, 2009 to ¥76,202 million for the year ended March 31, 2010. This was primarily due to a decrease in demand for LCD panel handling robots. However operating income of Nidec Sankyo increased ¥1,684 million, or 29.5%, from ¥5,705 million for the year ended March 31, 2009 to ¥7,389 million for the

year ended March 31, 2010. This was primarily due to the implementation of measures to reduce production cost and fixed cost.

Net sales of Nidec Copal increased ¥4,379 million, or 6.9%, from ¥63,632 million for the year ended March 31, 2010 to ¥68,011 million for the year ended March 31, 2011. This was primarily due to an increase in sales of camera shutters for mobile phones and mold components. Operating income of Nidec Copal increased ¥3,113 million, or 51.2%, from ¥6,075 million for the year ended March 31, 2010 to ¥9,188 million for the year ended March 31, 2011. This increase was primarily due to further cost reduction achieved through such measures as in-sourcing of product manufacturing.

Net sales of Nidec Copal decreased ¥10,691 million, or 14.4%, from ¥74,323 million for the year ended March 31, 2009 to ¥63,632 million for the year ended March 31, 2010. This was primarily due to a decrease in sales of camera shutters for mobile phones and system equipment such as industrial robots. However operating income of Nidec Copal increased ¥1,243 million, or 25.7%, from ¥4,832 million for the year ended March 31, 2009 to ¥6,075 million for the year ended March 31, 2010. This was primarily due to the improved cost reduction achieved through such measures as in-sourcing of product manufacturing.

Net sales of Nidec Tosok increased ¥6,445 million, or 27.4%, from ¥23,501 million for the year ended March 31, 2010 to ¥29,946 million for the year ended March 31, 2011. This was primarily due to an increase in demand for automotive parts and machinery. Operating income increased ¥1,184 million, or 41.9%, from ¥2,825 million for the year ended March 31, 2010 to ¥4,009 million for the year ended March 31, 2011. This was due to improved production cost management through an expansion of overseas manufacturing in addition to the increase in sales.

Net sales of Nidec Tosok increased ¥3,174 million, or 15.6%, from ¥20,327 million for the year ended March 31, 2009 to ¥23,501 million for the year ended March 31, 2010. This was due primarily to an increase in demand for automotive parts. Operating income increased ¥1,170 million, or 70.7%, from ¥1,655 million for the year ended March 31, 2009 to ¥2,825 million for the year ended March 31, 2010. This was primarily due to improved production cost management, in addition to the increase in sales.

Net sales of Nidec Copal Electronics increased ¥5,595 million, or 22.4%, from ¥24,985 million for the year ended March 31, 2010 to ¥30,580 million for the year ended March 31, 2011. This was primarily due to an increase in demand for electronic circuit components and sensors. Operating income increased ¥2,547 million, or 105.2%, from ¥2,422 million for the year ended March 31, 2010 to ¥4,969 million for the year ended March 31, 2011. This was primarily due to cost reductions achieved through enhanced economies of scale resulting from the expansion of the segment's operations, in addition to the increase in sales.

Net sales of Nidec Copal Electronics decreased ¥3,487 million, or 12.2%, from ¥28,472 million for the year ended March 31, 2009 to ¥24,985 million for the year ended March 31, 2010. This was due primarily to a decrease in sales of electronic components such as switches. Operating income decreased ¥338 million, or 12.2%, from ¥2,760 million for the year ended March 31, 2009 to ¥2,422 million for the year ended March 31, 2010. This was primarily due to the decrease in sales.

Net sales of Nidec Techno Motor increased ¥20,360 million, or 52.4%, from ¥38,880 million for the year ended March 31, 2010 to ¥59,240 million for the year ended March 31, 2011. This was primarily due to an increase in demand for general motors for industrial use in Japan and home appliances use in Asia, in addition to ¥12,396 million of sales at Nidec Sole Motors S.R.L and its subsidiary, which became consolidated subsidiaries during the three months ended March 31, 2010. Operating income increased ¥2,164 million, or 110.9%, from ¥1,951 million for the year ended March 31, 2010 to ¥4,115 million for the year ended March 31, 2011. This increase was primarily due to the increase in sales, the positive impact of Nidec Sole Motors and its subsidiary becoming consolidated subsidiaries and cost reduction achieved through such measures as in-sourcing of product manufacturing.

Net sales of Nidec Techno Motor decreased ¥3,295 million, or 7.8%, from ¥42,175 million for the year ended March 31, 2009 to ¥38,880 million for the year ended March 31, 2010. This was primarily due to a decrease in demand for industrial motors and home appliances motors. The impact of decreased demand was more significant on the industrial motor business because of sluggish corporate spending. However operating income increased ¥482 million, or 32.8%, from ¥1,469 million for the year ended March 31, 2009 to ¥1,951 million for the year ended March 31, 2010. This increase was primarily due to improved product mix and reduced costs deriving from improved material procurement management.

Net sales of Nidec Motor was ¥35,458 million and operating income was ¥143 million, for the year ended March 31, 2011. Sales and operating income of Nidec Motor were consolidated in the quarterly reporting period ended December 31, 2010.

Net sales of Nidec Motors & Actuators increased ¥3,455 million or 8.3%, from ¥41,618 million for the year ended March 31, 2010 to ¥45,073 million for the year ended March 31, 2011. This was primarily due to an increase in demand for general motors for automobiles in North American and Europe. Operating income increased ¥721 million, or 130.4%, from ¥553 million for the year ended March 31, 2010 to ¥1,274 million for the year ended March 31, 2011. This increase was primarily due to the increase in sales and cost reduction measures.

Net sales of Nidec Motors & Actuators decreased ¥278 million or 0.7%, from ¥41,896 million for the year ended March 31, 2009 to ¥41,618 million for the year ended March 31, 2010 due primarily to a decrease in the demand for automotive motors. Nidec Motors & Actuators had operating income of ¥553 million for the year ended March 31, 2010 compared to an operating loss of ¥407 million for the year ended March 31, 2009. In spite of the decrease in sales, operating income increased due to reduced costs deriving from improved material procurement management with enhanced economies of scale with subsidiaries.

Within the All Others segment, net sales increased ¥18,204 million, or 14.0%, from ¥129,840 million for the year ended March 31, 2010 to ¥148,044 million for the year ended March 31, 2011. This was primarily due to an increase in demand for machinery as well as logistics and service-related business included in the "Others" product category. Operating income increased ¥3,659 million, or 29.7% from ¥12,311 million for the year ended March 31, 2010 to ¥15,970 million for the year ended March 31, 2011, primarily due to the increase in sales.

Within the All Others segment, net sales decreased ¥9,220 million, or 6.6%, from ¥139,060 million for the year ended March 31, 2009 to ¥129,840 million for the year ended March 31, 2010. This was primarily due to a decrease in demand for machinery and such small precision motors as fans. However, operating income increased ¥4,430 million, or 56.2%, from ¥7,881 million for the year ended March 31, 2009 to ¥12,311 million for the year ended March 31, 2010. This was primarily due to an increase in demand for such small precision motors as DC motors.

Accounting Changes

As of April 1, 2010, we adopted FASB Accounting Standards Codification™ (ASC) 860 "Transfers and Servicing" updated by Accounting Standards Update (ASU) No. 2009-16, "Accounting for Transfers of Financial Assets". ASU 2009-16 requires more disclosure about transfers of a portion of a financial assets as sale, including securitization transactions, and where companies have continuing exposure to the risks related to transferred financial assets. ASU 2009-16 also eliminates the concept of a "qualifying special-purpose entity," which changes the criteria for derecognizing financial assets. The adoption of this standard did not have a material impact on our consolidated financial position, results of operations or liquidity.

As of April 1, 2010, we adopted ASC 810 "Consolidation" updated by ASU No. 2009-17,

“Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities.” ASU 2009-17 requires an enterprise to perform an analysis to identify the primary beneficiary of all variable interest entities and also requires ongoing reassessments of whether an enterprise is the primary beneficiary of all variable interest entities. The adoption of this standard did not have a material impact on our consolidated financial position, results of operations or liquidity.

Recent Accounting Pronouncements to Be Adopted in Future Periods

In December 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-28, “Intangibles – Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts.” ASU 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. ASU 2010-28 is effective for fiscal years and interim periods within those years, beginning after December 15, 2010. Early adoption is prohibited. We are currently evaluating the potential impact from adopting ASU 2010-28 on our consolidated financial position, results of operations and liquidity.

In December 2010, the FASB issued ASU No. 2010-29, “Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations.” ASU 2010-29 requires a public entity that enters into business combination to disclose pro forma revenue and earnings of the combined entity in the comparative financial statements as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU 2010-29 is effective prospectively for business combinations for which the acquisition date is on or after the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. ASU 2010-29 is a provision for disclosure. The adoption of ASU 2010-29 will not have any impact on our consolidated financial position, results of operations and liquidity.

In May 2011, the FASB issued ASU No. 2011-04, “Fair Value Measurement: (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” ASU 2011-04 amends current U.S. GAAP to create more commonality with IFRS by changing some of the wording used to describe requirements for measuring fair value and for disclosing information about fair value measurements. ASU 2011-04 is effective during interim and annual periods beginning after December 15, 2011. Early adoption is prohibited. The adoption of ASU 2011-04 is not expected to have a material impact on our consolidated financial position, results of operations and liquidity.

Application of Critical Accounting Policies

Nidec and its subsidiaries in Japan maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries in conformity with those of their countries of domicile. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform U.S. GAAP. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from these estimates, judgments and assumptions.

An accounting estimate in our financial statements is a critical accounting estimate if it requires us to make assumptions about matters that are highly uncertain at the time the accounting estimate is made, and

either different estimates that we reasonably could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on the presentation of our financial condition, changes in financial condition or results of operations. We have identified the following critical accounting policies with respect to our financial presentation.

Inventories

Our inventories are stated at the lower of cost or market value. Cost is determined principally using the weighted average cost method and the market value is mainly based on net realizable value less direct sales costs. These products are exposed to frequent innovation, the introduction of new products to the market and short product life cycles due to rapid technological advances and model changes. We periodically assess the market value of our inventory, based on sales trends and forecasts and technological changes and write off inventories with no movement for one year or when it is apparent that there is no possibility of future sales or usage. We may have to recognize large amounts of inventory write-offs as a result of an unexpected decline in market conditions, changes in demand or our product line.

Other-than-temporary Losses on Marketable Securities

We review the market value of our marketable securities at the end of each fiscal quarter. Our marketable securities consist of available-for-sale securities and held-to-maturity securities. Other-than-temporary losses on individual marketable securities are charged to income in the period as incurred. Losses on available-for-sale securities are classified as other-than-temporary based on the length of time and the extent to which the fair value has been less than the carrying amount. Our management employs a systematic methodology to assess the recoverability of such investments by reviewing the financial position of underlying companies and prevailing market conditions in which these companies operate to determine if our investment in each of these companies is impaired and whether the impairment is other-than-temporary. Held-to-maturity securities are recorded at amortized cost and adjusted for the amortization or accretion of premiums or discounts.

We believe that the accounting estimate related to investment impairment is a critical accounting policy because:

- it is highly susceptible to change from period to period because it requires our management to make assumptions about future financial condition and cash flows of investees; and
- the impact that recognizing an impairment would have on the total assets reported on our balance sheet as well as our operating income would be material.

As of March 31, 2011, the estimated fair value of our marketable securities was ¥14,826 million. We recorded a loss from marketable securities in the amount of ¥238 million for the year ended March 31, 2011.

The following table shows the other-than-temporary losses on marketable securities.

	Year ended March 31,			
	2009	2010	2011	2011
	(Yen in millions and U.S. dollars in thousands)			
Other-than-temporary losses on marketable securities	¥1,617	¥273	¥202	\$2,429

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts based on the historical rate of credit losses experienced. We additionally provide allowances for specific customer accounts deemed uncollectible.

Management assesses the need for specific allowances based on changes in the customers' financial condition and length of time the account has remained overdue. As our customer base is highly concentrated, the nonfulfillment or delay in payment caused by even one of our major customers may require us to record a significant additional allowance. For the year ended March 31, 2011, sales to our six largest customers represented approximately 36% of our net sales. Our accounts receivable are likewise concentrated. At March 31, 2011, six customers represented ¥50,927 million, or 33%, of our gross accounts receivable. In addition, during economic downturns, a certain number of our customers may have difficulty with their cash flows.

Although we believe that we can make reliable estimates for doubtful accounts, customer concentrations as well as overall economic conditions may affect our ability to accurately estimate the allowance for doubtful accounts. Our allowance for doubtful accounts amounted to ¥496 million as of March 31, 2011. Our trade notes and accounts receivable balance was ¥165,577 million, net of allowance for doubtful accounts, as of March 31, 2011.

The following table shows the provision for doubtful accounts, net of reversal.

	Year ended March 31,			
	2009	2010	2011	2011
	(Yen in millions and U.S. dollars in thousands)			
Provision for doubtful accounts, net of reversal.....	¥349	¥31	¥26	\$313

Deferred Tax Assets

As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process requires us to estimate our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue, for tax and accounting purposes. These differences resulted in deferred tax assets and liabilities, which were included within our consolidated balance sheet. As of March 31, 2011, we had deferred tax assets in the amount of ¥32,850 million. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income and to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must include an expense within the tax provision in our income statement.

Significant management judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We have recorded a valuation allowance of ¥6,235 million as of March 31, 2011, due to uncertainties related to our ability to utilize some of our deferred tax assets, primarily consisting of certain net operating losses carried forward for tax purposes incurred by our subsidiaries. Our determination to record valuation allowances is based on a history of unprofitable periods by the subsidiaries and their estimated future profitability. In the event that actual results differ from these estimates or we adjust these estimates in future periods, we may need to establish an additional valuation allowance which could have an adverse effect on our financial position and results of operations.

Impairment of Long-lived Assets

Long-lived assets consist primarily of property, plant and equipment, comprising approximately 31.3% of our total assets as of March 31, 2011, and other intangible assets. We carefully monitor the appropriateness of the estimated useful lives of these assets. Since the fiscal year ended March 31, 2003, the first year we adopted testing for impairment of long-lived assets under ASC 360 "Property, Plant and Equipment", whenever events or changes in circumstances indicate that the carrying amounts of these asset groups may not be recoverable, we have reviewed the respective asset groups for impairment. An impairment loss is recognized when the carrying amount of an asset group exceeds the estimated undiscounted future cash

flows of the group. We review idle assets for possible impairment based on their condition or based on the probability of future use. Changes in technology, market demand, our planned product mix, or in our intended use of these assets, may cause the estimated period of use or the value of these assets to change. In addition, changes in general industry conditions such as increased competition could cause the value of a certain amount of these assets to change. Estimates and assumptions used in both estimating the useful life and evaluating potential impairment issues require a significant amount of judgment. As such, our judgment as to the recoverability of capitalized amounts and the amount of any impairment will be significantly impacted by such factors.

Acquisitions

In recent years, we have made a number of significant business acquisitions, which had been accounted for using the purchase method of accounting until the fiscal year ended March 31, 2009. As of April 1, 2009, we adopted ASC 805, "Business Combinations". ASC 805 requires that business acquisitions are accounted for using the acquisition method of accounting. Application of the purchase method and the acquisition method requires our management to make complex judgments about the measurement of fair value of the net assets we acquire and estimation of the related useful lives. The determinations of fair value of assets and liabilities are primarily based on factors such as cash flow analysis and quoted market prices among others. We also obtained independent appraisers' reports for significant purchases.

Valuation of Goodwill

Under ASC 350 "Intangibles - Goodwill and Other", goodwill acquired in business combinations is not amortized but tested annually for impairment. We test for impairment at the reporting unit level on January 1st of each year. In addition, we test for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends;
- significant decline in the stock price of the acquired entity for a sustained period; and
- market capitalization of the acquired entity relative to its net book value.

This test is a two-step process. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value, which is based on discounted future cash flows, exceeds the carrying amount, goodwill is not considered impaired. If the carrying amount exceeds the fair value, the second step must be performed to measure the amount of the impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. In order to evaluate the sensitivity of the fair value calculations on the impairment analysis, we apply a hypothetical decrease to the fair value of each reporting unit. Also, among the reporting units, when testing the goodwill for impairment allocated to our listed subsidiaries, consideration was given to each listed subsidiary's carrying amount and its market capitalization based on a reasonable control premium.

When we determine that the carrying value of goodwill and other intangibles may not be recoverable, based upon the existence of one or more of the above indicators of impairment, we measure any impairment

based on a projected discounted cash flow determined by our management to be commensurate with the risk inherent in our current business model. Changes in the projected discounted cash flow could negatively affect the valuations. Goodwill amounted to ¥82,107 million as of March 31, 2011.

Pension Plans

We account for our defined benefit pension plans based on actuarial valuations. For periodic pension calculation, we are required to assume some components, which include expected return on plan assets, discount rate, rate of increase in compensation levels and average remaining years of service. We use long-term historical actual return information and estimated future long-term investment returns by reference to external sources to develop our expected rate of return on plan assets. The discount rate is assumed based on the rates available on high-quality fixed-income debt instruments (rated AA by a recognized rating agency) for which the timing and amount of cash inflows approximates the estimated outflows of the defined benefit plan. We assume a rate of increase in compensation levels and average remaining years of service based on our historical data. Changes in these assumptions will have an impact on our net periodic pension cost.

The following table shows the sensitivity to a change in discount rates and the expected rate of return on plan assets, holding all other assumptions constant.

	Yen in millions	
	Effect on pre-tax income	Effect on PBO
	For the year ending March 31, 2012	As of March 31, 2011
Discount rates		
0.5% decrease	¥(18)	¥1,251
0.5% increase	21	(1,188)
Expected rate of return on plan assets		
0.5% decrease	¥(41)	
0.5% increase	41	

Income Taxes

We adopted FASB Accounting Standards Codification™ (ASC), 740 “Income Taxes” on April 1, 2007. We consider many factors when evaluating and estimating income tax uncertainties. These factors include an evaluation of the technical merits of the tax positions as well as the amounts and probabilities of the outcomes that could be realized upon settlement. The actual resolutions of those uncertainties will inevitably differ from those estimates, and such differences may be material to the financial statements.

Revenue recognition -

We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility is reasonably assured. For small precision motors, mid-size motors and electronic and optical components, these criteria are generally met at the time a product is delivered to the customers’ site which is the time the customer has taken title to the product and the risk and rewards of ownership have been substantively transferred. These conditions are met at the time of delivery to customers in domestic sales (FOB destination) and at the time of shipment for export sales (FOB shipping point). Revenue for machinery sales is recognized upon receipt of final customer acceptance. At the time the related revenue is recognized, we make provisions for estimated product returns.

B. Liquidity and Capital Resources.

As part of our efforts to enhance liquidity, we continued to focus particularly on efficient use of capital and better management of foreign exchange risk during the year ended March 31, 2011. For example, in an effort to efficiently use capital, we continued to strive to make effective use of our cash management system, which are shared among our domestic subsidiaries. In addition, we sought to make effective use of dollar surplus funds held by domestic subsidiaries. We also expanded our risk mitigation initiatives, including centralized management of foreign exchange risks and management of the risks associated with exchange rate fluctuations between multiple local currencies. Surplus U.S. dollars owned by our subsidiaries in China were converted into and held in the form of Chinese yuan time deposits in preparation for a possible Chinese currency revaluation. As of March 31, 2011, our cash and cash equivalents of Chinese yuan were approximately RMB 1,300 million.

Our principal capital needs include (1) purchases of property, plant and equipment and other assets, (2) research and development activities, (3) mergers and acquisitions, (4) investments in subsidiaries, (5) purchases of raw materials, (6) employees' salaries, wages and other payroll costs, and (7) repayment of short-term borrowings and long-term debt.

Investments for the purchase of property, plant, equipment and other assets totaled ¥55,010 million for the year ended March 31, 2011. We plan to invest ¥23,943 million in additions to the property, plant and equipment for the year ending March 31, 2012. Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥315 million as of March 31, 2011.

Research and development expenses were ¥27,988 million for the year ended March 31, 2011, and are expected to reach approximately ¥33,000 million for the year ending March 31, 2012.

We acquired the Emerson Electric Co.'s motors and controls, or EMC, business for ¥57,442 million in cash on September 30, 2010. In addition, we significantly increased our capital investments and our equity holdings in subsidiaries. We intend to continue to seek opportunities for acquiring other companies and making additional investments in our subsidiaries.

Our short-term borrowings, primarily consisting of bank loans, were ¥52,018 million as of March 31, 2011, a decrease of ¥63,449 million from ¥115,467 million as of March 31, 2010. Our long-term debt was ¥101,819 million as of March 31, 2011, an increase of ¥1,745 million from ¥100,074 million as of March 31, 2010.

We issued an aggregate principal amount of ¥100,000 million of zero coupon euro yen convertible bonds due 2015 on September 21, 2010. The net proceeds of the issuance of convertible bonds were applied towards the repayment of existing short-term borrowings. Through the issuance of corporate bonds, we sought to maintain our financial agility in mergers and acquisitions, research and development activities and facilities investments by reducing interest and other financing expenses. For more information, see Note 12 to our audited consolidated financial statements included elsewhere in this annual report.

A substantial portion of our unsecured funding is raised by the parent company (Nidec Corporation), and is then lent to its subsidiaries to meet their respective capital requirements. Under this subsidiary funding policy, we seek to lower the financing cost, maintain sufficient line of credit, and ensure agile funding for our group companies.

We also consider extending our funding options to direct financing in order to enhance our financial agility in mergers and acquisitions, research and development activities and facility investments.

We believe that these funding sources, together with our cash flow from operations, will sufficiently meet our capital requirements for the next fiscal year ending March 31, 2012.

Assets, liabilities and shareholders' equity

Our total assets increased ¥55,414 million from ¥692,791 million as of March 31, 2010 to ¥748,205 million as of March 31, 2011. Excluding the contributions of the newly consolidated companies, total assets decreased ¥22,411 million from ¥692,791 million as of March 31, 2010 to ¥670,380 million as of March 31, 2011. The increase of ¥55,414 million in total assets was mainly due to an increase in property, plant and equipment of ¥33,102 million as a result of our additional capital investments and our acquisition of the EMC business, an increase in inventories of ¥20,874 million resulting from lower customer demand caused by the recent earthquake and subsequent events in Northeastern Japan and increased orders from some customers, and an increase in goodwill of ¥9,876 million recorded in connection with our acquisition with the EMC business. Cash and cash equivalents decreased ¥28,988 million between March 31, 2010 and 2011 as described below in “— Cash Flows”. For more information regarding our recent acquisitions, see Note 4 to our audited consolidated financial statements included elsewhere in this annual report.

Our total liabilities increased ¥46,439 million from ¥291,260 million as of March 31, 2010 to ¥337,699 million as of March 31, 2011. Excluding the contributions of the newly consolidated companies, total liabilities increased ¥29,178 million from ¥291,260 million as of March 31, 2010 to ¥320,438 million as of March 31, 2011. The increase of ¥46,439 million was mainly due to an increase in long-term debt of ¥100,074 million partly as a result of the issuance of corporate bonds described above which was offset in part by a decrease of ¥63,449 million, in short-term borrowings partly as a result of repayment with the proceeds from the issuance of corporate bonds.

Our working capital, defined as current assets less current liabilities, increased ¥53,644 million from ¥112,618 million as of March 31, 2010 to ¥166,262 million as of March 31, 2011. This was mainly due to the repayment of short-term borrowings with the proceeds from the issuance of corporate bonds.

Our receivable turnover ratio is calculated by dividing net sales for a fiscal year by the fiscal year-end trade notes and accounts receivable balance. Our receivable turnover ratio increased 0.6 points from 3.6 points for the year ended March 31, 2010 to 4.2 points for the year ended March 31, 2011. This was mainly due to the increase in total net sales. The inventory turnover ratio is calculated by dividing cost of products sold for a given year by the year-end inventory balance. Our inventory turnover ratio decreased 0.6 points from 6.3 points for the year ended March 31, 2010 to 5.7 points for the year ended March 31, 2011, primarily due to a decrease in customer demand caused by the recent earthquake and subsequent events in Northeastern Japan and increased orders from some customers.

Our total shareholders' equity increased ¥14,941 million from ¥340,309 million as of March 31, 2010 to ¥355,250 million as of March 31, 2011. This increase was mainly due to an increase in retained earnings of ¥41,190 million, which was partially offset by an increase in negative foreign currency translation adjustments of ¥15,928 million due to the appreciation of the Japanese yen against other currencies. As a result, the ratio of Nidec Corporation shareholders' equity to total assets decreased 1.6 percentage points from 49.1% as of March 31, 2010 to 47.5% as of March 31, 2011.

Cash Flows

Net cash provided by operating activities decreased ¥6,996 million from ¥90,080 million for the year ended March 31, 2010 to ¥83,084 million for the year ended March 31, 2011. Although our consolidated net income increased ¥1,341 million, net cash provided by operating activities decreased primarily due to the negative impact of changes in operating assets and liabilities of ¥9,858 million.

For the year ended March 31, 2011, we had ¥83,084 million of cash inflows mainly due to

consolidated net income of ¥57,492 million. On the other hand, we had a decrease in operating assets and liabilities of ¥15,043 million which consisted of an increase in operating assets of ¥11,861 million and a decrease in operating liabilities of ¥3,182 million. The increase in operating assets of ¥11,861 million was primarily due to decrease customers demand caused by the recent earthquake and subsequent events in Northeastern Japan and increased orders from some customers, which resulted in higher inventory levels.

For the year ended March 31, 2010, we had ¥90,080 million of cash inflows mainly due to consolidated net income of ¥56,151 million. On the other hand, we had a decrease in operating assets and liabilities of ¥5,185 million which consisted of an increase in operating assets of ¥40,979 million and an increase in operating liabilities of ¥35,794 million owing to sales recovery.

Net cash provided by operating activities increased ¥23,849 million from ¥66,231 million for the year ended March 31, 2009 to ¥90,080 million for the year ended March 31, 2010. The increased cash inflows in operating activities were due primarily to an increases in consolidated net income ¥24,916 million.

For the year ended March 31, 2010, we had ¥90,080 million of cash inflows mainly due to consolidated net income of ¥56,151 million. On the other hand, we had a decrease in operating assets and liabilities of ¥5,185 million which consisted of an increase in operating assets of ¥40,979 million and an increase in operating liabilities of ¥35,794 million owing to sales recovery.

For the year ended March 31, 2009, we had ¥66,231 million of cash inflows mainly due to consolidated net income of ¥31,235 million. On the other hand, we had a decrease in operating assets and liabilities of ¥821 million which consisted of a decrease in operating assets of ¥49,279 million and a decrease in operating liabilities of ¥50,100 million owing to lower sales due to the global recession.

Net cash used in investing activities increased ¥66,428 million from ¥40,514 million for the year ended March 31, 2010 to ¥106,942 million for the year ended March 31, 2011. The increase in net cash used in investing activities were mainly due to an increase in acquisitions of business, net of cash acquired, of ¥47,198 million and an increase in additions to property, plant and equipment of ¥18,402 million, resulting from our increased capital investments.

For the year ended March 31, 2011, ¥106,942 million of cash outflows was mainly due to additions to property, plant and equipments of ¥55,010 million for constructions of additional plant, and acquisitions of business, net of cash acquired of ¥51,594 million.

For the year ended March 31, 2010, ¥40,514 million of cash outflows was mainly due to additions to property, plant and equipments of ¥36,608 million for constructions of additional plant, and acquisitions of business, net of cash acquired of ¥4,396 million.

Net cash used in investing activities decreased ¥2,859 million from ¥43,373 million for the year ended March 31, 2009 to ¥40,514 million for the year ended March 31, 2010. The decreased cash outflows were due primarily to a decrease in purchases of marketable securities ¥3,599 million and a decrease in additions to property, plant and equipment of ¥1,893 million, partially offset by an increase in acquisitions of business of ¥3,640 million.

For the year ended March 31, 2010, ¥40,514 million of cash outflows was mainly due to additions to property, plant and equipments of ¥36,608 million for constructions of additional plant, and acquisitions of business, net of cash acquired of ¥4,396 million.

For the year ended March 31, 2009, ¥43,373 million of cash outflows was mainly due to additions to property, plant and equipments of ¥38,501 million and purchases of marketable securities of ¥3,609 million.

Net cash provided by financing activities was ¥3,764 million for the year ended March 31, 2011, while net cash used in financing activities was ¥122,779 million for the year ended March 31, 2010.

For the year ended March 31, 2011, ¥3,764 million of the cash inflows was mainly due to the proceeds from the issuance of corporate bonds of ¥100,500 million. Our cash outflows for the year ended March 31, 2011 primarily resulted from a decrease in short-term borrowings of ¥63,205 million, purchases of treasury stock of ¥11,226 million and dividends paid to shareholders of Nidec Corporation of ¥11,143 million.

For the year ended March 31, 2010, ¥122,779 million of the cash outflows was mainly due to a decrease in short-term borrowings of ¥109,100 million and dividends paid to shareholders of Nidec Corporation of ¥7,661 million.

Net cash used in financing activities was ¥122,779 million for the year ended March 31, 2010 while net cash provided by financing activities was ¥81,874 million for the year ended March 31, 2009.

For the year ended March 31, 2010, ¥122,779 million of the cash outflows was mainly due to a decrease in short-term borrowings of ¥109,100 million and dividends paid to shareholders of Nidec Corporation of ¥7,661 million.

For the year ended March 31, 2009, ¥81,874 million of cash inflows was mainly due to an increase in short-term borrowings of ¥153,934 million for the purpose of increasing cash on hand in response the global recession. On the other hand, the cash outflows were primarily due to redemption of corporate bonds of ¥26,412 million and purchases of treasury stock of ¥23,775 million.

As a result of the foregoing factors and the effect of exchange rate changes, our total outstanding balance of cash and cash equivalents decreased ¥28,988 million from ¥123,309 million as of March 31, 2010 to ¥94,321 million as of March 31, 2011. Currency of cash and cash equivalents consists primarily of U.S. dollar, Japanese yen, Thai baht, Euro and Chinese yuan.

We believe that cash generated from operating activities are sufficient to meet our cash obligations for the current fiscal year.

C. Research and Development, Patents and Licenses, etc.

In order to remain competitive, we need to maintain the ability to create products with specialized quality attributes that precisely meet the evolving performance and environmental requirements of our customers. In addition to the continued emphasis on improved running accuracy, controllability, compactness, operational quietness and energy efficiency, we have our research and development activities focus on designing ecology conscious and cost effective products that require less raw materials and energy to manufacture and operate in order to reduce our and our customers' environmental burden and manufacturing costs.

We allocate our research and development resources primarily towards the development of motors in the “General Motors” and “Small Precision Motors” categories with key priorities placed on the following areas:

- Prototype development targeted at new markets and applications,
- Design improvements intended to reduce raw materials, such as aluminum, steel, copper and permanent magnets (rare-earth compounds), used in our products and thereby achieve superior suitability for miniaturization and low-cost automation,
- Internal development of electronic control units and integrated modular motor drives for

- automotive systems, and
- Energy-efficient, high-speed hard disk drives spindle motors for use in data center servers.

As of March 31, 2011, we employed 3,075 people engaged in research and development activities mainly in Japan as well as in China, the United States, Germany, Taiwan, Mexico, Vietnam, Italy, India, Spain, the United Kingdom, Thailand, Indonesia, Poland, the Philippines, South Korea, and Singapore.

We incurred research and development expenses of ¥26,825 million, ¥24,456 million and ¥27,988 million for the fiscal years ended March 31, 2009, 2010 and 2011, respectively.

Much of our research and development is conducted by our domestic subsidiaries, which we then reimburse for costs incurred. We also cooperate with our affiliates to conduct significant research and development. We anticipate spending approximately ¥33,000 million on research and development in the year ending March 31, 2012. We believe that our research and development expenses are sufficient for sustaining our competitiveness in the motor industry and other industries.

D. Trend Information.

The information required by this item is set forth in "— A. Operating Results," "— B. Liquidity and Capital Resources" and "Item 4.B. Information on the Company— Business Overview."

E. Off-Balance Sheet Arrangements.

We have guaranteed approximately ¥111 million (\$1,335 thousand) of bank loans for employees in connection with their housing costs at March 31, 2011. If an employee defaults on his or her loan payments, we would be liable under the guarantees. The maximum undiscounted amount of our obligation to make future payments in the event of defaults is approximately ¥111 million (\$1,335 thousand). The current carrying amount of the liabilities for our obligations under the guarantees is zero.

F. Tabular Disclosure of Contractual Obligations.

The following tables represent our contractual obligations and other commercial commitments as of March 31, 2011:

(Yen in millions)

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Long-term Debt.....	¥102,943	¥1,124	¥930	¥100,714	¥175
Capital Lease Obligations.....	2,191	1,101	870	203	17
Interest on debt *1.....	64	36	23	4	1
Operating Leases.....	4,244	1,276	1,540	465	963
Purchase Commitments for fixed assets.....	315	315	-	-	-
Total Contractual Cash Obligations.....	109,757	3,852	¥3,363	¥101,386	¥1,156
Contribution under pension plans *2...	¥3,209	¥3,209	-	-	-

Other Commercial Commitments	Amount of Commitment Expiration per Period				
	Total amounts committed	Less than 1 year	2-3 years	4-5 years	Over 5 years
Guarantees.....	¥111	¥29	¥20	¥17	¥45
Total Commercial Commitments.....	¥111	¥29	¥20	¥17	¥45

*1 Interest at variable interest rates are assumed based on the current applicable rate of 2.5%.

*2 Amounts are only available for payments due in less than one year.

(U.S. dollars in thousands)

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Long-term Debt.....	\$1,238,040	\$13,518	\$11,184	\$1,211,233	\$2,105
Capital Lease Obligations.....	26,350	13,241	10,463	2,441	205
Interest on debt *1.....	770	433	277	48	12
Operating Leases.....	51,040	15,346	18,521	5,592	11,581
Purchase Commitments for fixed assets.....	3,788	3,788	-	-	-
Total Contractual Cash Obligations.....	1,319,988	46,326	\$40,445	\$1,219,314	\$13,903
Contribution under pension plans *2...	\$38,593	\$38,593	-	-	-

Other Commercial Commitments	Amount of Commitment Expiration per Period				
	Total amounts committed	Less than 1 year	2-3 years	4-5 years	Over 5 years
Guarantees.....	\$1,335	\$349	\$241	\$204	\$541
Total Commercial Commitments.....	\$1,335	\$349	\$241	\$204	\$541

*1 Interest at variable interest rates are assumed based on the current applicable rate of 2.5%.

*2 Amounts are only available for payments due in less than one year.

We excluded unrecognized tax benefits from the above contractual obligation table as we are unable to make reasonable estimates of the period of settlements. As of March 31, 2011, we had unrecognized tax benefits of ¥9,199 million (\$110,631 thousand). For further information related to our unrecognized tax benefits, see Note 18 to our audited consolidated financial statements included elsewhere in this annual report.

We issued an aggregate principal amount of ¥100,000 million of euro yen convertible bonds due 2015 on September 21, 2010. The net proceeds of the issuance of convertible bonds were applied towards the repayment of existing short-term borrowings. For more information, see Note 12 to our audited consolidated financial statements elsewhere in this annual report.

Our capital commitments as of March 31, 2011 principally consisted of commitments to purchase property, plant and equipment. Commitments outstanding for the purchase of property, plant and equipment and other assets decreased from approximately ¥2,115 million as of March 31, 2010 to approximately ¥315 million as of March 31, 2011, and decreased from approximately ¥9,104 million on March 31, 2009 to approximately ¥2,115 million on March 31, 2010, respectively. The significant decreases in our capital commitments were mainly due to reductions in commitments for constructions of new plants and purchases of new machinery. Our commitments coming due during the year ended March 31, 2010 were mainly related to payments for the expansions of the Shiga Technical Center and the Nagano Technical Center, which are two of our Japan-based R&D facilities. We expect to make capital expenditures in addition to those for which we have outstanding commitments. See "Item 4.A. Information on the Company—History and Development of the Company."

For a further discussion on our commitments, see Notes 22 and 23 to our audited consolidated financial statements included elsewhere in this annual report.

Item 6. Directors, Senior Management and Employees.

A. Directors and Senior Management.

The following table provides information about our Directors and Corporate Auditors as of the date of this annual report:

Name	Position	Date of birth	Month in which current term expires	Number of Nidec shares owned as of March 31, 2011 (in thousands)	Percentage of common stock outstanding as of March 31, 2011
Shigenobu Nagamori	Representative Director, President and Chief Executive Officer	August 28, 1944	June 2012	20,142	14.54%
Hiroshi Kobe	Representative Director, Executive Vice President and Chief Operating Officer	March 28, 1949	June 2012	236	*
Kenji Sawamura	Member of the Board, Executive Vice President	February 15, 1942	June 2012	8	*
Juntaro Fujii	Member of the Board, Executive Vice President	February 20, 1945	June 2012	2	*

Name	Position	Date of birth	Month in which current term expires	Number of Nidec shares owned as of March 31, 2011 (in thousands)	Percentage of common stock outstanding as of March 31, 2011
Tadaaki Hamada	Member of the Board, First Senior Vice President	August 14, 1948	June 2012	3	*
Masuo Yoshimatsu	Member of the Board, Senior Vice President and Chief Financial Officer	April 28, 1958	June 2012	3	*
Tetsuo Inoue	Member of the Board, Senior Vice President	June 22, 1948	June 2012	4	*
Shozo Wakabayashi	Member of the Board	November 23, 1943	June 2012	-	*
Masakazu Iwakura	Member of the Board	December 2, 1962	June 2012	-	*
Osamu Narumiya	Corporate Auditor	August 6, 1951	June 2015	0	*
Ryuichi Tanabe	Corporate Auditor	March 9, 1948	June 2015	-	*
Susumu Ono	Corporate Auditor	November 12, 1948	June 2015	-	*
Chihiro Suematsu	Corporate Auditor	January 29, 1956	June 2014	-	*
Kiichiro Kobayashi	Corporate Auditor	November 29, 1957	June 2014	-	*

Notes:

- (1) "-" represents no beneficial ownership in any Nidec shares.
- (2) The asterisk represents beneficial ownership of less than 1%.

Shigenobu Nagamori, who founded Nidec Corporation in July 1973, has since been serving as the Company's Representative Director, President & Chief Executive Officer (CEO). Mr. Nagamori is currently serving as Representative Director and Chairman of Nidec Motor Holdings Corporation, Nidec-Shimpo Corporation and Nidec Nissin Corporation; and Chairman of Nidec Sankyo Corporation, Nidec Copal Corporation, Nidec Tosok Corporation, Nidec Copal Electronics Corporation, Nidec Servo Corporation, Nidec-Read Corporation, Nidec-Kyori Corporation and Nidec Motor Corporation.

Hiroshi Kobe has since June 2006 served, and was most recently reappointed in June 2011 to serve, as Representative Director, Executive Vice President, and Chief Operating Officer (COO). Mr. Kobe joined Nidec Corporation in July 1973, and became a Member of the Board of Directors in November 1984, a Member of the Board and Managing Director in November 1991, a Member of the Board and Senior Managing Director in April 1996, a Member of the Board and Executive Vice President in April 2000, COO in April 2005, and Representative Director, Executive Vice President & COO in June 2006. Mr. Kobe is currently responsible for the Automotive Sales Operations, Corporate Administration & Internal Audit Dept., Motor Engineering & Research Laboratory and SPM Quality Control Dept., and serving as Representative Director and Chairman of Nidec Korea

Corporation, Nidec Logistics Corporation and Nidec Total Service Corporation.

Kenji Sawamura has since June 2006 served, and was most recently reappointed in June 2011 to serve, as a Member of the Board of Directors and Executive Vice President. Mr. Sawamura joined Nidec Corporation as Executive Director in October 1998, and became a Member of the Board in June 2000, a Member of the Board and Senior Managing Director in April 2002, and a Member of the Board and Executive Vice President in June 2006. Mr. Sawamura is currently responsible for supervising the ADF business, Shiga Technical Center, Corporate Purchasing Dept., ADF Quality Control Dept., and Die & Mold Engineering Dept., and serving as Chairman & CEO of Nidec America Corporation; Representative Director, Chairman & CEO of Nidec Electronics GmbH; Representative Director and Chairman of Nidec (Dalian) Limited, Nidec (Dongguan) Limited, and Nidec Automobile Motor (Zhejiang) Corporation. Mr. Sawamura also serves as Chairman & CEO of Nidec Vietnam Corporation, as Representative Director and Chairman of Nidec Techno Motor Holdings Corporation, and as Representative Director and Chairman of Nidec Machinery Corporation. Mr. Sawamura was a Member of the Board and Managing Director in his previous employment at Nissan Motor Co., Ltd.

Juntaro Fujii has since June 2006 served, and was most recently reappointed in June 2011 to serve, as a Member of the Board and Executive Vice President. Mr. Fujii joined Nidec Corporation as Executive Consultant in June 2006. Mr. Fujii is currently responsible for supervising the Corporate Strategy Office. Mr. Fujii was previously a Member of the Board and President of Mitsubishi UFJ Research & Consulting Co., Ltd.

Tadaaki Hamada has since June 2009 served, and was most recently reappointed in June 2011 to serve, as a Member of the Board and First Senior Vice President. Mr. Hamada, originally from The Bank of Mitsubishi, Ltd. (currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.) which he joined in April 1971, joined Nidec Corporation as Executive Director in February 2000, and became a Member of the Board in June 2004, Managing Director in April 2005, and a Member of the Board and Senior Vice President in June 2008. Mr. Hamada is currently responsible for supervising the Secretarial Office, Compliance Office, Corporate Planning Dept., Intellectual Property Dept., Legal Dept., General Affairs Dept., Human Resources Dept., and International Business Administration Dept. He is also currently serving as General manager of the Corporate Planning Department.

Masuo Yoshimatsu has since June 2009 served, and was most recently reappointed in June 2011 to serve, as a Member of the Board, Senior Vice President and Chief Financial Officer (CFO). Mr. Yoshimatsu joined Nidec Corporation as Executive Consultant in January 2008, and became a Member of the Board and Vice President in June 2008. Mr. Yoshimatsu is currently responsible for the CFO Strategy Office, IR Dept., Public Relations & Advertising Dept., Accounting Dept and Finance Dept. He is also currently serving as General Manager of the CFO Strategy Office. Mr. Yoshimatsu was a Member of the Board and General Manager of Finance and Accounting Division of SS Pharmaceutical Co., Ltd.

Tetsuo Inoue has since June 2010 served, and was most recently reappointed in June 2011 to serve, as a Member of the Board and Senior Vice President. Mr. Inoue, originally from The Sumitomo Bank, Ltd. (currently, Sumitomo Mitsui Banking Corporation) which he joined in April 1972, joined Nidec Corporation as Executive Director in December 1999, was appointed to serve as a Member of the Board and Vice President in June 2008, and became a Member of the Board in June 2002 and Director and Vice President in June 2008. Mr. Inoue is currently responsible for supervising the Affiliates Administration Dept. as General Manager.

Shozo Wakabayashi has since June 2010 served, and was most recently reappointed in June 2011 to serve, as an Outside Member of the Board of Directors. Mr. Wakabayashi joined the Ministry of Finance in April 1967, was appointed to serve as Chief of the Osaka Regional Taxation

Bureau in July 1994, Secretary-General of the Securities and Exchange Surveillance Commission in July 1996, Administrative Vice-Minister of Okinawa Development Agency in June 1998, and Senior Managing Director of Japan Securities Dealers Association in July 2001. Mr. Wakabayashi currently serves as Representative Director and Chairman of Japan Earthquake Reinsurance Co., Ltd.

Masakazu Iwakura has since June 2010 served, and was most recently reappointed in June 2011 to serve, as an Outside Member of the Board of Directors. Mr. Iwakura became a member of Dai-Ichi Tokyo Bar Association in April 1987, and joined Nishimura and Partners (currently, Nishimura and Asahi) and has been serving as a partner attorney at the law firm since January 1996. Mr. Iwakura was appointed to serve as an Outside Corporate Auditor of Kakaku.com, Inc. in June 2005 and as an Outside Member of the Board of Directors of Fancl Corporation in June 2006, and became a visiting professor at Hitotsubashi University Graduate School of Law in April 2007, an Outside Corporate Auditor of Kakaku.com Financial, Inc. in June 2008 and an Outside Member of the Board of Kakaku.com in June 2009. Mr. Iwakura currently teaches at Hitotsubashi University Graduate School of Law as a visiting professor and at Hitotsubashi University Graduate School of International Corporate Strategy as a Professor, and serves as a Corporate Auditor at ICJ Co., Ltd. and as an Outside Corporate Auditor of GMO Internet Inc.

Osamu Narumiya was appointed to serve as a Corporate Auditor in June 2011. Mr. Narumiya joined the Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry) in April 1976. He was appointed to serve as First Secretary at the Embassy of Japan in Singapore in April 1987, and became Director of the Information Management Division at the Minister's Secretariat in May 1995, Deputy Director-General (responsible for bilateral cooperation) at the Minister's Secretariat in July 2002, Director of the Japan Bicycle Racing Assoc. in September 2003, and Senior Managing Director of the National Federation of Small Business Associations in June 2004. Mr. Narumiya joined Nidec Corporation as Executive Consultant in June 2007, and became a Member of the Board in the same month. Mr. Narumiya concurrently serves as Vice President.

Ryuichi Tanabe was appointed to serve as an Outside Corporate Auditor in June 2011. Mr. Tanabe joined the Ministry of Foreign Affairs in April 1970. He was appointed to serve as Director of the International Public Relations Division at the Minister's Secretariat in May 1986 and became General Councilor at the Embassy of Japan in Germany in May 1988, Minister at the Embassy of Japan in Saudi Arabia in October 1990, Minister at the Embassy of Japan in Austria in August 1992, Consul-General at the Consulate-General of Japan in Munich, Germany in August 1994, Minister at the Embassy of Japan in India in July 1997, Chief of the Protocol to the Tokyo Metropolitan Government in July 1999, Residing Ambassador Extraordinary and Plenipotentiary to Serbia and Montenegro in April 2003, Ambassador Extraordinary and Plenipotentiary (responsible for Afghanistan Assistance Coordination) in September 2005, Residing Ambassador Extraordinary and Plenipotentiary to Poland in September 2006, Ambassador Extraordinary and Plenipotentiary for the Kansai Region in September 2009, and Representative of the Government of Japan in June 2010.

Susumu Ono has since June 2007 served, and was most recently reappointed in June 2011 to serve, as an Outside Corporate Auditor. Mr. Ono started his career as a prosecutor for the Osaka District Public Prosecutor's Office in April 1974, and was seconded to the Ministry of Foreign Affairs to serve as First Secretary at the Japanese Embassy in the People's Republic of China. Mr. Ono returned to his work as a prosecutor for the Osaka District Public Prosecutor's Office in April 1988, became Deputy General Manager of the Office's Criminal Investigations Department in April 1995, General Manager of the Criminal Investigations Department of the Kyoto District Public Prosecutor's Office in July 1996, and General Manager of the General Affairs Department of the Osaka District Public Prosecutor's Office in April 1998. Mr. Ono became a registered attorney in May 1999.

Chihiro Suematsu was appointed to serve as an Outside Corporate Auditor in June 2010. Mr. Suematsu joined McKinsey and Company in November 1985, was appointed to serve as Representative Director and President of Advanced Consulting Network, Inc. in November 1988, and became an assistant professor at Kyoto University Graduate School of Economics in April 2001. Mr. Suematsu currently serves as a professor at Kyoto University Graduate School of Management (Doctor of Economics) and Graduate School of Economics (Doctor of Economics), and an Outside Member of the Board of Directors of Zero-Sum, Ltd.

Kiichiro Kobayashi was appointed to serve as an Outside Corporate Auditor in June 2010. Mr. Kobayashi joined Mitsukoshi, Ltd. in April 1980, became a Senior Researcher at the Mitsubishi Research Institute, Inc. in March 1989, and completed his doctoral program at Keio University Graduate School of Business Administration (Ph.D.) in September 1996. Mr. Kobayashi then became a Visiting Scholar at Harvard Business School in April 1997, a Full-time Lecturer at Keio University Graduate School of Business Administration in April 1998, and an assistant professor at the same school in April 2000. Mr. Kobayashi currently teaches at Keio University as a professor and serves an Outside Member of the Board of Directors of NEC Fielding, Ltd.

Our Board of Directors has the ultimate responsibility for the administration of our affairs. Our Articles of Incorporation provide for not more than twenty Directors. Directors are elected at a general meeting of shareholders, and the normal term of office of Directors is one year, although they may serve any number of consecutive terms. The Board of Directors elects one or more Representative Directors, who have the authority individually to represent us. The Board of Directors may also elect one Chairman of the Board of Directors, one President, one or more Executive Vice Presidents, First Senior Vice Presidents, Senior Vice Presidents and Vice Presidents. Shigenobu Nagamori is the Representative Director, President and Chief Executive Officer. Hiroshi Kobe is the Representative Director, Executive Vice President and Chief Operating Officer, and Masuo Yoshimatsu is a Member of the Board, Senior Vice President and Chief Financial Officer. Our Executive Officers serve at the discretion of the Board of Directors.

Our Articles of Incorporation provide for not more than five Corporate Auditors. Currently, we have five Corporate Auditors: Osamu Narumiya, Ryuichi Tanabe, Susumu Ono, Chihiro Suematsu and Kiichiro Kobayashi. The Corporate Auditors may not at the same time be directors, officers or employees of us or any of our subsidiaries, and at least one-half of them must be a person who has never been a director, officer or employee of us or any of our subsidiaries at any time prior to their election as a Corporate Auditor. Corporate Auditors are elected at a general meeting of shareholders, and the normal term of office of a Corporate Auditor is four years, although they may serve any number of consecutive terms.

Two of our Corporate Auditors, Osamu Narumiya and Ryuichi Tanabe are full-time Corporate Auditors. Except Osamu Narumiya, all of our Corporate Auditors are from outside the Nidec group. Our five Corporate Auditors form our Board of Corporate Auditors. Corporate Auditors are under a statutory duty to review the administration of our affairs by the Directors, to examine our financial statements and business reports to be submitted by the Board of Directors to the general meetings of shareholders and to report their opinions thereon to the shareholders. They are required to attend meetings of the Board of Directors and are entitled to express their opinions, but they are not entitled to vote. Corporate Auditors also have a statutory duty to provide their report to the Board of Corporate Auditors, which must submit its auditing report to the Representative Directors. The Board of Corporate Auditors also determines matters relating to the duties of the Corporate Auditors, such as auditors' policy and methods of investigation of our affairs.

In addition to Corporate Auditors, we must appoint independent certified public accountants, who have the statutory duties to examine the financial statements to be submitted by the Board of Directors to the annual general meetings of shareholders, report on the financial statements to the Board of Corporate Auditors and the Representative Directors, and examine the financial statements to be filed with the Minister of Finance

of Japan.

No family relationship exists among any of our directors and corporate auditors. None of our directors or corporate auditors is party to a service contract with us that provides for benefits upon termination of employment.

B. Compensation.

The aggregate compensation paid, including bonuses and benefits in kind granted, but excluding retirement allowances paid, to our Directors and Corporate Auditors by Nidec Corporation during the fiscal year ended March 31, 2011 was ¥437 million. Of this amount, an aggregate of ¥381 million was paid to our Directors (excluding our outside Directors), an aggregate of ¥15 million to our Corporate Auditors (excluding our outside Corporate Auditors), and an aggregate of ¥41 million to our outside Directors and outside Corporate Auditors. None of our Directors and Corporate Auditors were paid any compensation for their respective services in any capacities to our subsidiaries.

As a result of changes in the applicable Japanese disclosure requirements, starting in the fiscal year ended March 31, 2010, issuers listed on a Japanese stock exchange, including us, are required to disclose in Japan, on an individual basis, the amount of compensation paid by us and our subsidiaries to a director or corporate auditor if the amount is ¥100 million or more during a fiscal year. For the fiscal year ended March 31, 2011, none of our Directors or Corporate Auditors received compensation equal to or exceeding ¥100 million.

On a group-wide basis, the aggregate compensation paid, including bonuses and benefits in kind granted, but excluding retirement allowances paid, to our Directors and Corporate Auditors by Nidec Corporation and to the directors and corporate auditors of our subsidiaries by such subsidiaries during the fiscal year ended March 31, 2011 was ¥2,517 million.

In accordance with customary Japanese business practices, a retiring director or corporate auditor receives a lump-sum retirement allowance, which is subject to the approval of the general meeting of shareholders. In the fiscal year ended March 31, 2011, no such retirement allowance was paid to our Directors or Corporate Auditors. Separately, an aggregate ¥37 million in retirement allowances was paid by our subsidiaries to their respective retiring directors and corporate auditors, none of whom are Directors or Corporate Auditors of Nidec Corporation.

C. Board Practices.

The information required by this item is set forth in “– A. Directors and Senior Management.”

D. Employees.

The following table shows the number of our employees as of the dates indicated:

	As of March 31,		
	2009	2010	2011
Japan.....	8,918	8,758	8,730
North and South America	731	853	6,954
Asia and Oceania.....	66,143	84,870	88,219
Europe	782	2,001	1,970
Total.....	<u>76,574</u>	<u>96,482</u>	<u>105,873</u>

Note: The total number of our employees increased by 9,391 as of March 31, 2011 compared to March 31, 2010 mainly due to our acquisition of Emerson Electric Co's motors and controls business.

Japan

In Japan, as of March 31, 2011, we had 8,730 employees. Of these employees, 4,022 employees were engaged in manufacturing operations, 1,934 in research and development and 1,069 in sales activities.

Most of our employees receive compensation on the basis of fixed annual salaries and twice-a-year bonuses. In addition, we have a separate bonus system to reward employees who make significant technological contributions to our operations as reflected primarily by patent registrations. We emphasize and reward individual skills and performance. We have started to incorporate performance-linked elements into our domestic compensation and promotion systems to make us more competitive in Japan in recruiting and retaining highly-skilled individuals. Under our retirement allowance system, eligible employees are entitled to a lump-sum allowance and a retirement annuity upon their retirement.

In Japan, although Nidec Corporation has no labor union, labor unions have been organized in some of its subsidiaries. There have been no material strikes or labor disputes. We believe that the relationship between us and our employees is favorable.

Overseas

As of March 31, 2011, we had 97,143 employees overseas. Of these employees, 86,397 employees were engaged in manufacturing operations, 1,141 in research and development and 949 in sales activities.

No material strikes or labor disputes have occurred overseas and we believe that the relationship between us and our employees is favorable.

E. Share Ownership.

The information required by this item is set forth in “– A Directors and Senior Management.”

Item 7. Major Shareholders and Related Party Transactions.

A. Major Shareholders.

As of March 31, 2011, there were 138,481,433 shares of our common stock outstanding held by 46,369 shareholders of record, excluding 6,593,647 shares held in treasury. According to our shareholders of record, as of March 31, 2011, the following persons are our largest shareholders:

	Number of shares of common stock owned (thousands)	Percentage of common stock outstanding (excluding treasury stock)
Shigenobu Nagamori (1).....	20,142	14.5%
Japan Trustee Services Bank, Ltd. (trust account).....	9,452	6.8%
The Master Trust Bank of Japan, Ltd. (trust account)	8,313	6.0%
The Bank of Kyoto, Ltd.	5,927	4.2%
The Dai-Ichi Mutual Life Insurance Company	4,415	3.1%
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (2)	3,514	2.5%

Nippon Life Insurance Company	3,371	2.4%
Meiji Yasuda Life Insurance Company	3,188	2.3%
Moxley And Co.....	2,324	1.6%

(1) As of March 31, 2011, Mr. Shigenobu Nagamori, our CEO, directly held of record 8.6%, and, indirectly through S.N. Kohsan, an entity indirectly wholly owned by Mr. Nagamori, held of record 3.9%, of our outstanding shares. Mr. Nagamori's immediate family member held an additional 1.8% of our outstanding shares as of the same date.

(2) According to a beneficial ownership report on Schedule 13G filed with the U.S. Securities and Exchange Commission by Mitsubishi UFJ Financial Group, Inc., or MUFG, the parent company of The Bank of Tokyo-Mitsubishi UFJ, Ltd., or BTMU, on February 8, 2011, MUFG and its consolidated subsidiaries, including BTMU, beneficially owned an aggregate of 6.3% of the outstanding shares of our common stock, including 2.5% beneficially owned by BTMU, as of December 31, 2010. Other than as described in the table above, we have not independently confirmed this beneficial ownership information.

In October 2010, Mr. Shigenobu Nagomori, our CEO, received 74,100 shares of our common stock previously held in treasury in exchange for the 3.66% ownership interest he had in Nidec Servo Corporation in connection with a share exchange transaction between us and Nidec Servo to make Nidec Servo a wholly owned subsidiary. Nidec Servo was a consolidated subsidiary in which we had a 64.36% ownership interest immediately prior to the share exchange transaction. For a detailed discussion of the share exchange transaction, see Note 21 to our audited consolidated financial statements included elsewhere in this annual report.

The voting rights of the shareholders described above are identical to those of our other shareholders.

As of March 31, 2011, there were 143 shareholders of record with addresses in the United States who held 19,319,645 shares, representing approximately 13.9%, of our outstanding common stock (excluding treasury stock) as of that date.

To our knowledge, we are not, directly or indirectly, owned or controlled by any other corporation or by any government or by any other natural or legal persons, severally or jointly. We know of no arrangements the operation of which may at a later time result in a change of control of us.

B. Related Party Transactions.

We and certain entities over which some members of management exercise significant influence entered, and expect to enter in the future, into transactions in the ordinary course of business. As summarized in the table below, for the fiscal years ended March 31, 2009, 2010 and 2011, our transactions with such entities were conducted on an arms length basis and, except for our loan to S.N. Kohsan during the fiscal year ended March 31, 2009, which is described below, had no material impact on our consolidated financial position, results of operations or liquidity.

	Yen in million		U.S. dollars in thousands	
	For the year ended March 31			
	2009	2010	2011	2011
S.N. Kohsan (1).....	¥(3)	¥(3)	¥(5)	\$(60)
Green Kohsan (1)	(12)	(12)	(11)	(132)
Hamaguchi Denki Seisakusho (1)	(14)	(44)	(32)	(385)
Hamaguchi Denki Seisakusho (2)	4	4	-	-
Oersted International (1)	-	-	(0)	(0)

Notes:

(1) Total amount paid by us

(2) Total amount paid to us

For the fiscal years ended March 31, 2009, 2010 and 2011, we entered into service transactions with S.N. Kohsan, an entity indirectly owned by Mr. Nagamori, our CEO, involved in asset management, where S.N. Kohsan provided restaurant services at the time to entertain our customers. We paid a total of approximately ¥3 million, ¥3 million and ¥5 million for the services for the fiscal years ended March 31, 2009, 2010 and 2011, respectively.

For each of the same three-year periods, Nidec-Shimpo Corporation, our wholly owned subsidiary, paid a total of approximately ¥12 million, ¥12 million and ¥11 million, respectively, to Green Kohsan, an entity wholly owned by Mr. Nagamori, under their lease agreement for office equipment.

We purchased iron cores from Hamaguchi Denski Seisakusho Co., Ltd., in which one of our directors, Mr. Yasuo Hamaguchi, directly and indirectly holds an ownership interest, for a total of approximately ¥14 million, ¥44 million and ¥32 million for the fiscal years ended March 31, 2009, 2010 and 2011, respectively. We sold materials to Hamaguchi Denki Seisakusho for a total of approximately ¥4 million and ¥4 million, for the fiscal years ended March 31, 2009 and 2010, respectively. We made no sales to Hamaguchi Denki Seisakusho in the fiscal year ended March 31, 2011.

For the fiscal year ended March 31, 2011, Nidec Tosok Corporation, our consolidated subsidiary, purchased office equipment from Oersted International, Ltd., in which our CEO's son directly holds an ownership interest, for a total of approximately ¥51 thousand.

In addition, we entered, and expect in the future to enter, into various manufacturing, sales and purchase transactions with our affiliates, most of which involve the production of components or products that we sell.

Loan to S.N. Kohsan

In December 2008, we advanced a loan of ¥14,500 million to S.N. Kohsan, a company indirectly owned by the CEO. The loan was guaranteed by the CEO and collateralized by a pledge of 4,500,000 of the CEO's shares in us. The loan had a term of five years and accrued interest quarterly at an annual rate of 2.4%. The loan was repaid in full on February 17, 2009, shortly after we and the CEO determined that the loan was not permitted under Section 402 of the U.S. Sarbanes-Oxley Act of 2002. S.N. Kohsan obtained the funds to repay the loan through the sale of a total of 3,356,000 of its shares in us through the J-NET and on the Osaka Securities Exchange. Of these shares, 2,917,800 were purchased by us through the J-NET for a total of ¥12,867 million. A special committee of our Board of Corporate Auditors conducted an independent investigation of this matter with the assistance of independent counsel and concluded that the failure to comply with Section 402 was inadvertent. We voluntarily brought this matter to the attention of the SEC. The Division of Enforcement of the SEC advised us that it was conducting an informal inquiry into the issue, and we cooperated fully with the informal inquiry. We were subsequently advised by the Staff of the Division of Enforcement that its investigation had been concluded and that the Staff would not recommend that enforcement proceedings be commenced.

C. Interests of Experts and Counsel.

Not applicable.

Item 8. Financial Information.

A. Consolidated Statements and Other Financial Information.

Financial Statements

The information required by this item is set forth in our audited consolidated financial statements included elsewhere in this annual report.

Legal or Arbitration Proceedings

The information on legal or arbitration proceedings required by this item is set forth in “Item 4.B. Information on the Company — Business Overview — Legal Proceedings.”

Dividend Policy

We generally aim to pay cash dividends twice per year. Our Board of Directors resolves a year-end dividend to be paid following the end of each fiscal year. If approved by resolution of our Board of Directors, the dividend is paid to holders of record as of the immediately preceding March 31. In addition to year-end dividends, we may pay interim dividends in the form of cash distributions from our retained earnings to our shareholders of record as of September 30 in each year by resolution of our Board of Directors. If paid, the interim dividend is generally paid in December and the year-end dividend is generally paid in June.

Based on the viewpoint that “shareholders own the company,” we aim to maximize shareholder value by achieving higher growth, profit and stock prices over the long-term with a vision that enables us to effectively respond to the constantly changing business environment. We seek to distribute our profits to shareholders through regular dividend payments, and aim to further increase our dividend payments to around 30% of our consolidated net income, subject to future earnings, financial condition and other factors, including statutory and other restrictions with respect to the payment of dividends.

Reserves are used to strengthen our operational structure and expand our business to improve profitability.

Our Board of Directors has determined the year-end dividend to be ¥45.0 per share for the fiscal year ended March 31, 2011. As a result, together with the interim dividend of ¥40.0 per share, the full-year dividend for the fiscal year is expected to be ¥85.0 per share, an increase of ¥20.0 from the fiscal year ended March 31, 2010. The dividend payout ratio, which is obtained by dividing the dividend declared for the year by net income attributable to Nidec Corporation, for the fiscal year ended March 31, 2011 is expected to be approximately 23%.

The following table sets forth the year-end and interim dividends paid to holders of record of our common stock for each of the record dates shown. Yen per share dividend amounts are translated solely for your convenience into U.S. dollars at the noon buying rate for Japanese yen announced by the Federal Reserve Bank of New York on the dividend payment date.

Record date	Dividends per share	
	Yen	U.S. dollar
September 30, 2006.....	20.0	0.172
March 31, 2007	25.0	0.206
September 30, 2007.....	25.0	0.224
March 31, 2008	30.0	0.280

September 30, 2008.....	30.0	0.325
March 31, 2009	30.0	0.304
September 30, 2009	25.0	0.278
March 31, 2010	40.0	0.434
September 30, 2010	40.0	0.484
March 31, 2011	45.0	0.557

Dividends paid to shareholders outside Japan on shares of common stock or ADSs are generally subject to a Japanese withholding tax at the temporary rate of 7% (applicable until December 31, 2011) or standard rate of 15% (applicable on January 1, 2012 and thereafter). Reduced rates for withholding apply to shareholders in some countries which have income tax treaties with Japan. U.S. holders are generally subject to a maximum withholding rate of 10%. If the applicable tax rate under the domestic tax law is lower than that promulgated under the applicable income tax treaty, then the domestic tax rate is still applicable due to the so-called preservation doctrine.

For more information, see “Item 10.D. Additional Information—Exchange Controls” and Item “10.E. Additional Information—Taxation.”

B. Significant Changes.

Other than as described in this annual report, we are not aware of any significant change in our financial position since March 31, 2011, the date of our last audited consolidated financial statements.

Item 9. The Offer and Listing.

A. Offer and Listing Details.

In Japan, our common stock is listed on the First Section of the Osaka Securities Exchange, and the First Section of the Tokyo Stock Exchange. ADSs, each representing one-fourth of one share of our common stock, are quoted on the New York Stock Exchange under the symbol, “NJ”.

The following table sets forth, for the periods indicated, the closing high and low sales prices per share of our common stock on the Osaka Securities Exchange, and the closing high and low sales prices per ADS of our ADSs on the New York Stock Exchange:

	Osaka Securities Exchange Price Per Share of Common Stock		New York Stock Exchange Price Per ADS	
	High	Low	High	Low
<u>Year ended March 31,</u>				
2007.....	¥9,660	¥7,030	\$20.82	\$15.28
2008.....	8,730	6,080	19.73	14.11
2009.....	8,260	3,340	19.47	8.87
2010.....	10,030	4,350	27.36	11.33
First Quarter.....	6,140	4,350	15.84	11.33
Second Quarter	7,390	5,780	20.39	15.64
Third Quarter	8,540	6,640	23.41	18.78
Fourth Quarter	10,030	8,480	27.36	23.13
2011.....	10,050	6,350	27.07	20.17

	Osaka Securities Exchange Price Per Share of Common Stock		New York Stock Exchange Price Per ADS	
	High	Low	High	Low
First Quarter.....	10,050	7,500	27.07	20.60
Second Quarter	8,380	7,130	23.84	20.58
Third Quarter	8,840	6,970	26.55	21.40
Fourth Quarter	8,770	6,350	26.50	20.17
<u>Calendar period</u>				
December 2010.....	8,840	8,210	26.55	24.94
January 2011.....	8,770	7,730	26.50	23.24
February 2011	8,100	7,530	24.64	22.93
March 2011.....	7,630	6,350	23.14	20.17
April 2011.....	7,110	6,710	21.83	20.37
May 2011.....	7,570	7,100	22.99	21.82

B. Plan of Distribution.

Not applicable.

C. Markets.

The information required by this item is set forth in “— A. Offer and Listing Details.”

D. Selling Shareholders.

Not applicable.

E. Dilution.

Not applicable.

F. Expenses of the Issue.

Not applicable.

Item 10. Additional Information.

A. Share Capital.

Not applicable.

B. Memorandum and Articles of Association.

Objects and Purposes in Our Articles of Incorporation

Article 2 of our Articles of Incorporation, which are attached as Exhibit 1.1 to this annual report, provides our corporate objects and purposes, including:

- manufacture, sales and development of electric, electronic, precision, industrial and other equipment, machines, drives, components and other products,
- insurance agent business,
- sales, purchase, lease, brokering, and management of moveable and real property, and
- travel agent and advertising businesses.

Provisions Regarding Our Directors

There is no provision in our Articles of Incorporation as to a Director's power to vote on a proposal in which the Director is materially interested but, under the Company Law of Japan and our Regulations of the Board of Directors, a Director is required to refrain from voting on such matters at meetings of the Board of Directors.

The Company Law provides that compensation for directors is determined at a general meeting of shareholders of a company. Within the upper limit approved by the shareholders' meeting, the board of directors will determine the amount of compensation for each director. The board of directors may, by its resolution, leave such decision to the discretion of the company's representative director.

The Company Law requires directors to "perform their duties faithfully on behalf of the company," thus subjecting directors to a duty of loyalty (*chujitsu gimu*). This duty is supplemented by other duties such as to avoid self-dealing and competition with the company as well as to abide by all laws and regulations, articles of incorporation and resolutions of general meetings of shareholders.

Directors can be held liable for damages caused by their negligence in performing their duties, including any action to violate a law, an ordinance or articles of incorporation. For example, directors can be liable for damages caused by declaring an unlawful dividend or distribution of money or by offering some benefit to a shareholder in exchange for the exercise of that shareholder's rights as shareholder.

There is no mandatory retirement age for our Directors under the Company Law or our Articles of Incorporation.

There is no requirement concerning the number of shares one individual must hold in order to qualify him or her as a Director either under the Company Law or our Articles of Incorporation.

Holding of Our Shares by Foreign Investors

There are no limitations on the rights of non-residents or foreign shareholders to hold or exercise

voting rights on our shares imposed by the laws of Japan or our Articles of Incorporation or our other constituent documents.

Rights of Our Shareholders

Set forth below is information relating to our common stock, including brief summaries of the relevant provisions of our Articles of Incorporation and Share Handling Regulations, as currently in effect, and of the Company Law and related legislation.

General

Our authorized share capital is 480,000,000 shares, of which 145,075,080 shares were issued and outstanding as of March 31, 2011.

The shares of all Japanese companies listed on any Japanese stock exchange, including our shares, are subject to the central clearing system established pursuant to the Law Concerning Book-Entry Transfer of Corporate Bond, Stocks, etc. (including regulations promulgated thereunder, the “Book-Entry Law”). Japan Securities Depository Center, Inc., or “JASDEC”, is the institution that is designated by the relevant authorities as a clearing house which is permitted to engage in the clearing operations of shares of Japanese listed companies under the Book-Entry Law. Under the clearing system, in order for any person to hold, sell or otherwise dispose of shares of Japanese listed companies, it must have an account at an account managing institution unless such person has an account at JASDEC. “Account managing institutions” are financial instruments firms (i.e., securities companies), banks, trust companies and certain other financial institutions which meet the requirements prescribed by the Book-Entry Law.

Under the Book-Entry Law, any transfer of such shares is effected through entry in the books maintained under the new central clearing system, and title to the shares passes to the transferee at the time when the transferred number of the shares is recorded at the transferee’s account at an account managing institution. The holder of an account at an account managing institution is presumed to be the legal owner of the shares held in such account.

Under the Company Law and the Book-Entry Law, in order to assert shareholders’ rights against us, a shareholder must have its name and address registered in our register of shareholders, except in limited circumstances. Under the clearing system, such registration is made upon our receipt of necessary information from JASDEC. See “—Share Registrar” and “—Record Date” below.

The registered beneficial holder of deposited shares underlying the ADSs is the depositary for the ADSs. Accordingly, holders of ADSs will not be able to directly assert shareholders’ rights.

Shareholders’ Rights to Bring Actions Against Directors

The Company Law provides for the Japanese shareholder derivative action mechanism, which allows any shareholder who has held a share for the previous six months to demand that the corporation take action to protect the company and enforce a director’s duties. Derivative actions may be brought to “enforce the liability of directors” which refers to situations including, but not limited to, those where directors engage in self-interested transactions, or violate any law, ordinance or the articles of incorporation. If the board has not instituted an action within sixty days, the plaintiff-shareholder may initiate a lawsuit as a derivative action. The Company Law provides an exception to the sixty day waiting period, however, for cases in which waiting sixty days might cause the company irreparable damage. In such cases, the shareholder may institute the action immediately, but after having brought the action must notify the company without delay. So, for example, if a

company might suffer irreparable damage from an illegal act of a director, a shareholder who has owned a share (in our case, under our Articles of Incorporation, excluding a holder of shares representing less than one unit under the unit share system described below) continuously for the previous six months may seek a provisional injunction prohibiting the director from performing the illegal act.

Distribution of Surplus

General

Under the Company Law, distributions of cash or other assets by joint stock corporations to their shareholders, so called “dividends”, are referred to as “distributions of Surplus” (“Surplus” is defined in “*Restriction on Distributions of Surplus*” below). We may make distributions of Surplus to the shareholders any number of times per fiscal year, subject to certain limitations described in “Restriction on Distributions of Surplus”. Under the Company Law, distributions of Surplus are required to be authorized by a resolution of a general meeting of shareholders unless the board of directors is so authorized under the articles of incorporation. Our Articles of Incorporation provide that the Board of Directors has the authority to decide to make distribution of Surplus except for limited exceptions as provided by the Company Law, since we have satisfied the following requirements:

- (a) the normal term of office of our Directors terminates on or prior to the date of conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within the period of one year from the election of the Directors; and
- (b) our non-consolidated annual financial statements and certain documents for the last fiscal year present fairly our assets and profit or loss, as required by the ordinances of the Ministry of Justice.

Under our Articles of Incorporation, year-end dividends and interim dividends, if any, may be distributed to shareholders (or pledgees) appearing in the register of shareholders as of March 31 and September 30 of each year, respectively, pursuant to a resolution of our Board of Directors. In addition, as stated above, under the Company Law and our Articles of Incorporation, we may make further distributions of Surplus by resolution of our Board of Directors. Under our Articles of Incorporation, we are not obliged to pay any dividends in the form of cash that are left unclaimed for a period of three years after the date on which they first became payable.

Distributions of Surplus may be distributed in cash or in kind in proportion to the number of shares held by each shareholder. A resolution of our Board of Directors authorizing a distribution of Surplus must specify the kind and aggregate book value of the assets to be distributed, the manner of allocation of such assets to shareholders, and the effective date of the distribution. If a distribution of Surplus is to be made in kind, we may, pursuant to a resolution of our Board of Directors, grant a right to our shareholders to require us to make such distribution in cash instead of in kind. If no such right is granted to shareholders, the relevant distribution of Surplus must be approved by a special resolution of a general meeting of shareholders.

Restriction on Distributions of Surplus

When we make a distribution of Surplus, we must, until the aggregate amount of our additional paid-in capital and legal reserve reaches one-quarter of our stated capital, set aside in our additional paid-in capital and/or legal reserve an amount equal to one-tenth of the amount of Surplus so distributed.

The amount of Surplus at any given time shall be calculated in accordance with the following formula:

$$A + B + C + D - (E + F + G)$$

In the above formula:

“A” = the total amount of ‘other capital surplus’ and ‘other retained earnings’, each such amount being that appearing on our non-consolidated balance sheet as of the end of the last fiscal year;

“B” = (if we have disposed of our treasury stock after the end of the last fiscal year) the amount of the consideration for such treasury stock received by us less the book value thereof;

“C” = (if we have reduced our stated capital after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to additional paid-in capital or legal reserve (if any);

“D” = (if we have reduced our additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to stated capital (if any);

“E” = (if we have cancelled our treasury stock after the end of the last fiscal year) the book value of such treasury stock;

“F” = (if we have distributed Surplus to our shareholders after the end of the last fiscal year) the total book value of the Surplus so distributed; and

“G” = certain other amounts set forth in the ordinances of the Ministry of Justice, including (if we have reduced Surplus and increased our stated capital, additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction and (if we have distributed Surplus to our shareholders after the end of the last fiscal year) the amount set aside in our additional paid-in capital or legal reserve (if any) as required by the ordinances of the Ministry of Justice.

The aggregate book value of Surplus distributed by us may not exceed a prescribed distributable amount (the “Distributable Amount”), as calculated on the effective date of such distribution. The Distributable Amount at any given time shall be equal to the amount of Surplus less the aggregate of the followings:

- (a) the book value of our treasury stock;
- (b) the amount of consideration for our treasury stock disposed of by us after the end of the last fiscal year; and
- (c) certain other amounts set forth in the ordinances of the Ministry of Justice, including (if the sum of one-half of goodwill and the deferred assets exceeds the total of stated capital, additional paid-in capital and legal reserve, each such amount being that appearing on our non-consolidated balance sheet as of the end of the last fiscal year) all or certain part of such exceeding amount as calculated in accordance with the ordinances of the Ministry of Justice.

If we have become at our option a company with respect to which consolidated balance sheets should also be taken into consideration in the calculation of the Distributable Amount (*renketsu haito kisei tekiyo kaisha*), it will be required to further deduct from the amount of Surplus the excess amount, if any, of (x) the total amount of shareholders’ equity appearing on our non-consolidated balance sheet as of the end of the last fiscal year and certain other amounts set forth in the ordinances of the Ministry of Justice over (y) the total amount of shareholders’ equity and certain other amounts set forth in the ordinances of the Ministry of Justice appearing on our consolidated balance sheet as of the end of the last fiscal year.

If we have prepared interim financial statements as described below, and if such interim financial statements have been approved by the Board of Directors or (if so required by the Company Law) by a general meeting of shareholders, the Distributable Amount must be adjusted to take into account the amount of profit or loss, and the amount of consideration for our treasury stock disposed of by us, during the period in respect of which such interim financial statements have been prepared. We may prepare non-consolidated interim financial statements consisting of a balance sheet as of any date subsequent to the end of the last fiscal year and an income statement for the period from the first day of the current fiscal year to the date of such balance sheet. Interim financial statements so prepared by us must be approved by the Board of Directors and audited by our independent auditors, as required by the ordinances of the Ministry of Justice.

For information as to Japanese taxes on dividends, see “—E. Taxation—Japanese Taxation.”

Capital and Reserves

When we issue new shares, the entire amount of cash or other assets paid or contributed by subscribers for those new shares is required to be accounted for as stated capital, although we may account for an amount not exceeding one-half of the amount of such cash or assets as additional paid-in capital by resolution of the Board of Directors.

We may reduce our additional paid-in capital or legal reserve generally by resolution of a general meeting of shareholders, and in the case of reduction of additional paid-in capital and if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as stated capital. On the other hand, we may reduce our stated capital generally by special resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as additional paid-in capital. In addition we may reduce our Surplus and increase either (i) stated capital or (ii) additional paid-in capital and/or legal reserve by the same amount, in either case by resolution of a general meeting of shareholders.

Stock Splits

We may at any time split the issued shares into a greater number of shares by resolution of our Board of Directors. When a stock split is to be made, so long as the only class of our outstanding stock is our common stock, we may increase the number of authorized shares to the extent that the ratio of such increase in authorized shares does not exceed the ratio of such stock split by amending our Articles of Incorporation, which amendment may be made without approval by shareholders.

Before a stock split, we must give public notice of the stock split, specifying the record date therefor, not less than two weeks prior to such record date. Under the new clearing system, we must also give notice to JASDEC regarding a stock split at least two weeks prior to the relevant effective date. On the effective date of the stock split, the numbers of shares recorded in all accounts held by our shareholders at account managing institutions or JASDEC will be increased in accordance with the applicable ratio.

Japanese Unit Share System

Our Articles of Incorporation provide that 100 shares of common stock constitute one “unit.” The Company Law permits us, by resolution of our Board of Directors, to reduce the number of shares that constitutes one unit or abolish the unit share system, and amend our Articles of Incorporation to this effect without the approval of a shareholders’ meeting. The number of shares constituting a unit may not exceed 1,000 shares.

Transferability of Shares Representing Less Than One Unit

Under the new clearing system, shares constituting less than one unit are transferable. Under the rules of the Japanese stock exchanges, however, shares constituting less than one unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Japanese stock exchange.

Right of a Holder of Shares Representing Less Than One Unit to Require Us to Purchase Its Shares

A holder of shares representing less than one unit may at any time require us to purchase our shares through the relevant account management institution. These shares will be purchased at:

- the closing price of the shares reported by the Osaka Securities Exchange Co., Ltd. (the “Osaka Securities Exchange”) on the day when the request to purchase is made; or
- if no sale takes place on such stock exchange on that day, the closing price of the shares reported by the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) on such day; or
- if no sale takes place on either of such stock exchanges on such day, the price at which the shares are first traded on the Osaka Securities Exchange on the next day; or
- if no sale takes place on such stock exchange on such day, the price at which the shares are first traded on the Tokyo Stock Exchange on such day; or
- if no sale takes place on either of such stock exchanges on such day, the price at which the shares are first traded on either of such stock exchanges, provided that, if the shares are traded on both such exchanges on the same day, the relevant price shall be the price at which the shares are first traded on the Osaka Securities Exchange.

In such case, we will request payment of an amount equal to the brokerage commission applicable to the shares purchased. However, because holders of ADSs representing less than one unit are not able to withdraw the underlying shares from deposit, these holders will not be able to exercise this right as a practical matter.

Voting Right of a Holder of Shares Representing Less Than One Unit

A holder of shares representing less than one unit cannot exercise any voting rights pertaining to those shares. In calculating the quorum for various voting purposes, the aggregate number of shares representing less than one unit will be excluded from the number of outstanding shares. A holder of shares representing one or more whole units will have one vote for each unit of shares, except as stated in “— Voting Rights” below.

A holder of shares representing less than one unit does not have any rights relating to voting, such as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. In addition, a holder of shares constituting less than one unit does not have the right to institute a representative action by shareholders.

Other Rights of a Holder of Shares Representing Less Than One Unit

In accordance with the Company Law, our Articles of Incorporation provide that a holder of shares representing less than one unit does not have any other rights of a shareholder in respect of those shares, other than those provided by our Articles of Incorporation including the following rights:

- to receive distribution of dividends;
- to receive shares, cash or other assets in case of consolidation or split of shares, exchange or transfer of shares or corporate merger;
- to be allotted rights to subscribe for new shares and other stock acquisition rights when such rights are granted to shareholders; and
- to participate in any distribution of surplus assets upon liquidation.

Ordinary General Meeting of Shareholders

We normally hold our annual general meeting of shareholders in June of each year. In addition, we may hold an extraordinary general meeting of shareholders whenever necessary by giving at least two weeks' advance notice. Under the Company Law, notice of any shareholders' meeting must be given to each shareholder having voting rights or, in the case of a non-resident shareholder, to his resident proxy or mailing address in Japan in accordance with our Share Handling Regulations, at least two weeks prior to the date of the meeting.

Voting Rights

A shareholder is generally entitled to one vote per one unit of shares, as described under “— Japanese Unit Share System” above. In general, under the Company Law, a resolution can be adopted at a general meeting of shareholders by a majority of the voting rights represented at the meeting. The Company Law and our Articles of Incorporation require a quorum for the election of Directors and Corporate Auditors of not less than one-third of the voting rights. Our shareholders are not entitled to cumulative voting in the election of Directors. A corporate shareholder whose outstanding voting rights are in turn more than one-quarter directly or indirectly owned by us does not have voting rights. Shareholders may exercise their voting rights through proxies, provided that those proxies are also shareholders who have voting rights.

The Company Law and our Articles of Incorporation provide that certain important matters shall be approved by a “special resolution” of general meeting of shareholders. Our Articles of Incorporation provide that the quorum for a special resolution is one-third of the total number of voting rights and the approval of at least two-thirds of the voting rights presented at the meeting is required for adopting a special resolution. Such important matters include:

- (a) reduction of the stated capital;
- (b) amendment to the Articles of Incorporation;
- (c) establishment of a 100% parent-subsidary relationship by way of share exchange or share transfer;
- (d) dissolution, merger or consolidation;

- (e) company split;
- (f) transfer of the whole or an important part of our business;
- (g) taking over of the whole of the business of any other corporation;
- (h) removal of a Corporate Auditor;
- (i) any issuance of shares or transfer of existing shares as treasury stock to persons other than the shareholders at a “specially favorable” price;
- (j) any issuance of stock acquisition rights (including those incorporated in bonds with stock acquisition rights) to persons other than the shareholders under “specially favorable” conditions;
- (k) purchase of shares by us from a specific shareholder other than our subsidiary;
- (l) consolidation of shares;
- (m) distribution of Surplus in kind with respect to which shareholders are not granted the right to require us to make such distribution in cash instead of in kind; and
- (n) exemption from a portion of liability of the Directors, Corporate Auditors or independent auditors.

However, under the Company Law, no shareholder approval, whether by an ordinary resolution or a special resolution at a general meeting of shareholders, is required for any matter described in (a) through (g) above, and such matter may be decided by the Board of Directors, if it satisfies certain criteria prescribed by the Company Law as are necessary to determine that its impact is immaterial.

The voting rights of holders of ADSs are exercised by the depositary based on instructions from those holders. See “—American Depositary Receipts”.

Subscription Rights

Holders of shares have no pre-emptive rights. Authorized but unissued shares may be issued at such times and upon such terms as our Board of Directors determines, subject to the limitations as to the issue of new shares at a “specially favorable” price in which case a special resolution of general meeting of shareholders is required as described in “— Voting Rights” above. The Board of Directors may, however, determine that shareholders be given subscription rights in connection with a particular issue of new shares. In this case, such rights must be given on uniform terms to all shareholders as of a specified record date of which not less than two weeks’ prior public notice must be made. Each of the shareholders to whom such rights are given must also be given at least two weeks’ prior notice of the date on which such rights will expire.

Stock Acquisition Rights

We may issue stock acquisition rights (*shinkabu yoyakuken*) or bonds with stock acquisition rights (*shinkabu yoyakuken-tsuki shasai*). Except where the issue would be on “specially favorable” conditions, the issue of stock acquisition rights or bonds with stock acquisition rights may be authorized by a resolution of the Board of Directors. Subject to the terms and conditions thereof, holders of stock acquisition rights may acquire a prescribed number of shares by exercising their stock acquisition rights and paying the exercise price at any

time during the exercise period thereof. Upon exercise of stock acquisition rights, we will be obliged to either issue the relevant number of new shares or transfer the necessary number of existing shares held by us as treasury stock to the holder.

Liquidation Rights

In the event of liquidation, the assets remaining after payment of all debts, liquidation expenses and taxes will be distributed among the shareholders in proportion to the number of shares they own.

Liability to Further Calls or Assessments

All of our currently outstanding shares, including shares represented by the ADSs, are fully paid and nonassessable.

Share Registrar

The Sumitomo Trust and Banking Company, Limited is the share registrar for the shares. Sumitomo Trust's office is located at 5-33, Kitahama 4-chome, Chuo-ku, Osaka, 540-0041, Japan. Under the new clearing system, Sumitomo Trust maintains our register of shareholders and records transfers of record ownership upon our receipt of necessary information from JASDEC and other information in the register of shareholders.

Record Date

The close of business on March 31 is the record date for our year-end dividends, if paid, and the close of business on September 30 is the same for our interim dividends, if paid. A holder of shares constituting one or more "units" who is registered as a holder on our register of shareholders at the close of business as of March 31 is also entitled to exercise shareholders' voting rights at the annual general meeting of shareholders with respect to the fiscal year ending on March 31. In addition, we may set a record date for determining the shareholders entitled to other rights and for other purposes by giving at least two weeks' public notice.

Under the Book-Entry Law, we are required to give notice of each record date to JASDEC at least two weeks prior to such record date. JASDEC is required to promptly give us notice of the names and addresses of our shareholders, the numbers of shares held by them and other relevant information as of such record date.

The shares are generally traded ex-dividend or ex-rights in the Japanese stock exchanges on the second business day before a record date (or if the record date is not a business day, the third business day prior thereto), for the purpose of dividends or rights offerings.

Repurchase by Nidec of Shares

Under the Company Law and our Articles of Incorporation, we may acquire our shares (i) by soliciting all our shareholders to offer to sell our shares held by them (in this case, the certain terms of such acquisition, such as the total number of the shares to be purchased and the total amount of consideration, shall be set by an ordinary resolution of a general meeting of shareholders in advance, and acquisition shall be effected pursuant to a resolution of the Board of Directors), (ii) from a specific shareholders other than any of our subsidiaries (pursuant to a special resolution of a general meeting of shareholders), (iii) from any of our subsidiaries (pursuant to a resolution of the Board of Directors), or (iv) by way of purchase on any Japanese stock exchange on which our shares are listed or by way of tender offer (in either case pursuant to a resolution of the

Board of Directors). In the case of (ii) above, any other shareholder may make a request to the Board of Directors that such other shareholder be included as a seller in the proposed purchase, provided that no such right will be available if the purchase price or any other consideration to be received by the relevant specific shareholder will not exceed the last trading price of the shares calculated in a manner set forth in the ordinances of the Ministry of Justice.

These acquisitions are subject to the condition that the aggregate amount of the purchase price must not exceed the Distributable Amount as described in “— Distribution of Surplus” above. We may hold our shares acquired in compliance with the provisions of the Company Law, and may generally dispose of or cancel such shares by resolution of the Board of Directors.

In addition, we may acquire our shares by means of repurchase of any number of shares constituting less than one “unit” upon the request of the holder of those shares, as described under “— Japanese Unit Share System” above.

American Depositary Receipts

JPMorgan Chase Bank, N.A., as depositary, will issue the American Depositary Shares, or ADSs. Each ADS will represent an ownership interest in one-fourth of a share of our common stock deposited with the custodian, as agent of the depositary, under the deposit agreement among us, the depositary and you as an ADS holder. Each ADS will also represent any securities, cash or other property deposited with the depositary but not distributed to ADS holders. Your ADSs will be evidenced by what are known as American depositary receipts or ADRs. The depositary's office is located at 1 Chase Manhattan Plaza, Floor 58 New York, NY 10005.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADS holder. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADS holder. You should consult with your broker or financial institution to find out what those procedures are.

Because the depositary's nominee will actually be the registered owner of the shares, you will have to rely on it to exercise your rights as a shareholder on your behalf. The obligations of the depositary and its agents are set out in the deposit agreement. The deposit agreement and the ADSs governed by New York Law.

For more information on the ADSs, see the deposit agreement and the form of ADR filed and amended as attached as exhibits to the registration statements on Form F-6 filed with the SEC on September 7, 2001, December 12, 2003 and June 13, 2007. See “—H. Documents on Display”.

For a description of the fees relating to the ADSs, see “Item 12D. Description of Securities Other than Equity Securities—American Depositary Shares.”

Reporting of Substantial Shareholdings

The Financial Instruments and Exchange Law of Japan and its related regulations require any person who has become, solely or jointly, a holder of more than 5% of the total issued shares with voting rights of a company that is listed on any Japanese stock exchange to file a report with the Director of the competent Local Finance Bureau of the Ministry of Finance within five business days. With certain exceptions, a similar report must also be filed in respect of any subsequent change of 1% or more in the holding of shares with voting rights or of any specified changes set out in any previously-filed reports. For this purpose, shares issuable to such person upon exercise of stock acquisition rights are taken into account in determining both the number of

shares with voting rights held by the holder and the issuer's total issued shares with voting rights.

Daily Price Fluctuation Limits under Japanese Stock Exchange Rules

Share prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each share, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell shares at such price on a particular trading day, or at all.

On June 14, 2011, the closing price of our shares on the Osaka Securities Exchange was ¥7,250 per share. The following table shows the daily price limit for a stock on the Osaka Securities Exchange with a closing price of between ¥5,000 and ¥10,000 per share, as well as the daily price limit if our per share price were to rise to between ¥10,000 and ¥20,000, or fall to between ¥3,000 and ¥5,000. Other daily price limits would apply if our per share price moved to other ranges.

Selected Daily Price Limits

	Previous Day's Closing Price or Special Quote			Maximum Daily Price Movement
Over	¥3,000	Less than	¥5,000	¥500
Over	5,000	Less than	10,000	1,000
Over	10,000	Less than	20,000	2,000

For a history of the trading price of our shares on the Osaka Securities Exchange, see "Item 9.A The Offer and Listing—Offer and Listing Details."

C. Material Contracts.

Except as described elsewhere in this annual report, we have not entered into any material contracts, other than in the ordinary course of business, within the two years immediately preceding the date of this document or any contract, other than in the ordinary course of business, which contains any provision under which we have any obligation or entitlement which is material to us as at the date of this document.

D. Exchange Controls.

Acquisition or Disposition of Shares or ADS

The Foreign Exchange and Foreign Trade Law of Japan governs certain aspects relating to the acquisition and holding of securities by "non-residents of Japan" and "foreign investors".

In general, acquisition of shares of stock of a Japanese company listed on any Japanese stock exchange by a non-resident of Japan from a resident of Japan is not subject to any prior notification requirement, but subject to a post reporting requirement by the resident.

If a foreign investor acquires shares of a Japanese company listed on a Japanese stock exchange and as a result of this acquisition directly or indirectly holds, aggregated with existing holdings, 10% or more of the issued shares of the company, the foreign investor is, in general, required to report the acquisition to the

Minister of Finance and any other competent ministers via the Bank of Japan within 15 days from and including the date of acquisition. In exceptional cases, a prior notification is required in respect of the acquisition.

“Non-residents of Japan” are generally defined as individuals who are not resident in Japan and corporations whose principal offices are located outside Japan. Branches and other offices of Japanese corporations located outside Japan are considered as non-residents of Japan, and branches and other offices located within Japan of foreign corporations are considered as residents of Japan. “Foreign investors” are generally defined to be (i) individuals not resident in Japan, (ii) corporations which are organized under the laws of foreign countries or whose principal offices are located outside Japan, and (iii) corporations of which (a) 50% or more of the shares are held directly or indirectly by (i) or (ii) above, (b) a majority of officers consists of non-residents of Japan or (c) a majority of officers having the power of representation consists of non-residents of Japan.

Dividends and Proceeds of Sale

Under the Foreign Exchange and Foreign Trade Law, dividends paid on, and the proceeds of sales in Japan of, shares held by non-residents of Japan may in general be converted into any foreign currency and repatriated abroad. Under the terms of the deposit agreement pursuant to which our ADSs are issued, the depositary is required, to the extent that in its judgment it can convert yen on a reasonable basis into dollars and transfer the resulting dollars to the United States, to convert all cash dividends that it receives in respect of deposited shares into dollars and to distribute the amount received (after deduction of applicable withholding taxes) to the holder of ADSs. For additional information regarding our ADSs, see “—American Depositary Receipts”.

E. Taxation.

United States Federal Income Taxation

This section describes the material United States federal income tax consequences of owning shares or ADSs. This discussion is not a complete analysis or listing of all of the possible tax consequences of transactions relating to our shares or ADSs and does not address all tax considerations that might be relevant to particular holders in light of their personal circumstances. This discussion applies to you only if you hold your shares or ADSs as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a dealer or trader in securities or currencies;
- a tax-exempt organization;
- an insurance company;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of the voting stock of us;

- a person that holds shares or ADSs as part of a straddle or a hedging or conversion transaction;
- a person who acquired shares or ADSs through the exercise or cancellation of employee stock options or otherwise as compensation for their services;
- a U.S. expatriate; or
- a person whose functional currency is not the U.S. dollar.

This section is based on the United States Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury regulations, published rulings and court decisions and the laws of the United States all as currently in effect, as well as on the income tax treaty between the United States of America and Japan (the "Treaty"). These laws are subject to change, possibly on a retroactive basis. We have not requested, and will not request, a ruling from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences described below, and as a result there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and describe herein. In addition, this section is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

You are a U.S. holder if you are a beneficial owner of shares or ADSs and you are:

- a citizen or resident of the United States, as determined for U.S. federal income tax purposes;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia;
- an estate whose income is subject to United States federal income tax regardless of its source; or
- a trust if (1) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or other pass-through entity is a beneficial owner of our shares or ADSs, the tax treatment of a partner or other owner will generally depend upon the status of the partner (or other owner) and the activities of the entity. If you are a partner (or other owner) of a pass-through entity that acquires our shares or ADSs, you should consult your tax advisor regarding the tax consequences of owning shares or ADSs.

You should consult your own tax advisor regarding the United States federal, state and local and the Japanese and other tax consequences of owning and disposing of shares and ADSs in your particular circumstances.

In general, and taking into account the earlier assumptions, for United States federal income tax purposes, if you hold ADRs evidencing ADSs, you will be treated as the owner of the shares represented by those ADRs. Exchanges of shares for ADRs, and ADRs for shares, generally will not be subject to United States federal income tax.

Notwithstanding the foregoing, the U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the holder of an ADS and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the beneficial ownership of the underlying shares (for example, pre-releasing ADSs to persons who do not have the beneficial ownership of the securities underlying the

ADSs). Accordingly, the analysis of the creditability of Japanese taxes and the availability of the reduced rate of tax for dividends received before January 1, 2011 by certain non-corporate U.S. Holders, each as described below, could be affected by actions taken by intermediaries in the chain of ownership between the holder of ADSs and us if, as a result of such actions, the holders of ADSs are not properly treated as beneficial owners of the underlying shares. We are not aware of any intention to take any such actions, and accordingly, the remainder of this discussion assumes that holders of ADSs will be properly treated as beneficial owners of the underlying shares.

Taxation of Dividends

Under the United States federal income tax laws, and subject to the passive foreign investment company (“PFIC”), rules as discussed below, if you are a U.S. holder, the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) will be subject to U.S. federal income taxation. The dividend will be taxable to you when you, in the case of shares, or the depositary, in the case of ADSs, receive the dividend, in accordance with your regular method of accounting for U.S. federal income tax purposes, actually or constructively.

You must include any Japanese tax withheld from the dividend payment in this gross amount even though you do not in fact receive it. The amount of the dividend distribution that you must include in income as a U.S. holder will be the U.S. dollar value of the yen payments made, determined at the spot yen/U.S. dollar rate on the date the dividend distribution is includible in your income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you convert the payment into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income (discussed below). The gain or loss generally will be income or loss from sources within the United States for foreign tax credit limitation purposes.

Dividends we pay with respect to the shares or ADSs generally will be qualified dividend income. If you are a noncorporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2013 that constitute qualified dividend income will be taxable to you at a maximum tax rate of 15% provided that you hold the shares or ADSs for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other holding period requirements. Absent legislation by Congress, for taxable years beginning after December 31, 2012, qualified dividend income will be taxable to you at the applicable ordinary income tax rates. Dividends we pay will not be eligible for the dividends-received deduction generally allowed to United States corporations in respect of dividends received from other United States corporations.

Distributions in excess of current and accumulated earnings and profits, as determined for United States federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the shares or ADSs and thereafter as capital gain. However, we do not maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles, and you should therefore assume that any distribution by us with respect to our shares or ADSs will constitute ordinary dividend income.

If you are eligible for benefits under the Treaty, you may be able to claim a reduced rate of Japanese withholding tax, see “—Japanese Taxation” below for a discussion of the Treaty. You should consult your own tax advisor about your eligibility for reduction of Japanese withholding tax. You may claim a deduction or a foreign tax credit, subject to other applicable limitations, only for tax withheld at the appropriate rate. You should not be allowed a foreign tax credit for withholding tax for any portion of the tax that could have been avoided by claiming benefits under the Treaty. The rules governing the foreign tax credit are complex and involve the application of rules that depend upon your particular circumstances. Accordingly, you are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Dividends will be income from sources outside the United States. Dividends paid will, depending on

your circumstances, be “passive” or “general” income which, in either case, is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you.

Taxation of Capital Gains

Subject to the PFIC rules as discussed below, if you are a U.S. holder and you sell, exchange or otherwise dispose of your shares or ADSs, you generally will recognize capital gain or loss for United States federal income tax purposes equal to the difference between the U.S. dollar value of the amount that you realize and your tax basis, determined in U.S. dollars, in your shares or ADSs. Capital gain of a noncorporate U.S. holder that is recognized in taxable years beginning before January 1, 2013 will generally be taxed at a maximum rate of 15% where the holder has a holding period greater than one year. Capital gain of a noncorporate U.S. holder that is recognized in taxable years beginning after December 31, 2012 will generally be taxed at a maximum rate of 20% where the holder has a holding period greater than one year. The deductibility of capital losses is subject to limitations under the Code.

The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes. Consequently, you may not be able to use any foreign tax credits arising from any Japanese tax imposed on the sale, exchange or other taxable disposition of shares unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources or unless an applicable treaty provides otherwise, see “—Japanese Taxation below” for a discussion of the Treaty.

PFIC Rules

Special, and generally unfavorable, U.S. federal income tax rules apply to U.S. persons owning stock of a PFIC. A foreign corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is passive income, or (ii) 50% or more of the average value (or, if elected, the adjusted tax basis) of its assets are considered “passive assets” (generally, assets that generate passive income).

We believe that our shares and ADSs should not be treated as stock of a PFIC for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus it is possible that we may become a PFIC in the current taxable year or in future years. With certain exceptions, your shares or ADSs will be treated as stock in a PFIC if we are a PFIC at any time during your holding period in your shares or ADSs.

Dividends that you receive from us will not be eligible for the special tax rates applicable to qualified dividend income if we are treated as a PFIC with respect to you either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

You are urged to consult your tax advisor concerning the U.S. federal income tax consequences of holding our Shares or ADSs if we are considered a PFIC in any taxable year.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends paid to you in respect of shares or ADSs and the proceeds received by you from the sale, exchange or other disposition of shares or ADSs within the United States unless you are a corporation or other exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of exempt status or fail to report in full dividend and interest income.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your U.S. federal income tax liability, provided that the required information is furnished to the IRS.

Japanese Taxation

The following is a summary of the principal Japanese tax consequences to owners of our shares who are non-resident individuals or non-Japanese corporations without a permanent establishment in Japan to which the relevant income is attributable. The changes are subject to changes in the applicable Japanese laws or double taxation conventions occurring after that date. This summary is not exhaustive of all possible tax considerations which may apply to a particular investor. Potential investors should satisfy themselves as to:

- the overall tax consequences of the acquisition, ownership and disposition of shares or ADSs, including specifically the tax consequences under Japanese law;
- the laws of the jurisdiction of which they are resident; and
- any tax treaty between Japan and their country of residence, by consulting their own tax advisers.

Generally, a non-resident shareholder is subject to Japanese withholding tax on dividends on the shares paid by us. A stock split is not subject to Japanese income or corporation tax, as it is characterized merely as an increase of number of shares (as oppose to an increase of value of shares) from Japanese tax perspectives. A conversion of retained earnings or legal reserve (but other than additional paid-in capital, in general) into stated capital on a non-consolidated basis is not characterized as a deemed dividend for Japanese tax purposes, and therefore such a conversion does not trigger Japanese withholding taxation (Article 2(16) of the Japanese Corporation Tax Law and Article 8(1)(xiii) of the Japanese Corporation Tax Law Enforcement Order).

Unless otherwise provided for in applicable tax treaties, conventions or agreements reducing the maximum rate of withholding tax, under Japanese taxation law, the withholding rate applicable to dividends on the listed shares such as those paid by us to non-resident shareholders is currently 7% which is applicable during the period from January 1, 2004 through December 31, 2011 (under the 2011 tax legislation proposal, an extension of the 7% rate until December 31, 2013 is proposed. But such legislation has been delayed and may further be changed). 15% withholding rate will apply thereafter (if the 2011 tax legislation is implemented as proposed, then the 15% rate will apply from January 1, 2014). Notwithstanding the 7% or 15% withholding rate periods above, 20% withholding rate applies to dividends paid to any individual shareholder who holds 5% (if the 2011 tax legislation is implemented as proposed, the 5% threshold will be reduced to 3% on or after October 1, 2011) or more of the outstanding shares (Please refer to Article 182(2) of the Japanese Income Tax Law and Article 9-3(1)(i) of the Japanese Special Tax Measures Law including its relevant temporary provision for these withholding rates). Japan has income tax treaties, conventions or agreements whereby the above mentioned withholding tax rate is generally promulgated as 15% for portfolio investors with, among others, Belgium, Canada, Denmark, Finland, Germany, Ireland, Italy, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. Under the tax treaty between the United States and Japan (the "Treaty"), the withholding tax rate on dividends is 10% for portfolio investors, if they do not have a permanent establishment in Japan and the shares with respect to which such dividends are paid are not related in-fact to such permanent establishment, and if they are qualified US residents eligible to enjoy treaty benefits. It shall be noted that, under the Treaty, withholding tax on dividends is exempt from Japanese taxation by way of withholding or otherwise for pension funds which are qualified US residents eligible to enjoy treaty benefits unless such dividends are derived from the carrying on of a business, directly or indirectly, by such pension funds (please refer to Article 10(3)(b) of the Treaty). In addition to the Treaty, Japan currently has income tax treaties, whereby the withholding tax rate on dividends is also reduced from 15% to 10% for portfolio investors, with, among others, the United Kingdom, France and Australia due to the recent treaty renewals. Furthermore, renewal of tax treaties (among others, the one between the Netherlands and Japan and the one between Switzerland and Japan) is currently scheduled under which the standard treaty withholding rate for portfolio investors on dividends will be reduced from 15% to 10% Non-resident shareholders who are

entitled to a reduced rate of Japanese withholding tax on payment by us of dividends on the shares are required to submit an Application Form for Income Tax Convention regarding Relief from Japanese Income Tax on Dividends in advance through us, which is the case for ADS holders, or (in cases where the relevant withholding taxpayer for the dividend payment is not us but a financial institution in Japan) through the financial institution, to the relevant tax authority before payment of dividends. A standing proxy for non-resident shareholders may provide such application service. See Item 10.B. of this annual report. Non-resident shareholders who do not submit an application in advance will be entitled to claim the refund of withholding taxes withheld in excess of the rate of an applicable tax treaty from the relevant Japanese tax authority. For Japanese tax purposes, the treaty rate normally applies superseding the tax rate under the domestic law. However, due to the so-called preservation doctrine under Article 1(2) of the Treaty, and/or under Article 3-2 of the Special Measures Law for the Income Tax Law, Corporation Tax Law and Local Taxes Law with respect to the Implementation of Tax Treaties, if the tax rate under the domestic tax law is lower than that promulgated under the applicable income tax treaty, then the domestic tax rate is still applicable. If the domestic tax rate still applies, no treaty application is required to be filed, consequently.

Gains derived from the sale of shares outside Japan, or from the sale of shares within Japan by a nonresident shareholder as a portfolio investor, are generally not subject to Japanese income or corporation taxes.

Japanese inheritance and gift taxes may be assessed against an individual who has acquired shares as a legatee, heir or donee, even if the individual is not a Japanese resident.

F. Dividends and Paying Agents.

Not applicable.

G. Statement by Experts.

Not applicable.

H. Documents on Display.

We file periodic reports and other information with the U.S. Securities and Exchange Commission. You may read and copy any document that we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. The Securities and Exchange Commission also maintains a web site at www.sec.gov that contains reports, proxy statements and other information regarding registrants that file electronically with the Securities and Exchange Commission. Some of this information may also be found on our website at www.nidec.co.jp/english/ir/index.html. Information on our website does not form part of this annual report.

As a foreign private issuer, we are exempt from the rules under the Securities Exchange Act of 1934 prescribing the furnishing and content of proxy statements to shareholders.

I. Subsidiary Information.

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

We hold financial instruments in the normal course of business and are exposed to market risk, including changes in foreign exchange rates, interest rates, equity prices and commodity prices. We employ a variety of measures to manage market risk related to our financial instruments, including cash and cash equivalents, financial receivables, securities investments, long-term debt and short-term borrowings.

We make an effort to manage the exposures to fluctuations in foreign exchange rates, interest rates and commodity prices through the use of derivative financial instruments, including foreign exchange forward contracts, interest rate currency swaps and commodities futures. Foreign exchange forward contracts are designed to reduce our exposure to losses resulting from adverse fluctuations in foreign exchange rates on our foreign currency accounts receivable, other receivables and accounts payable. Interest rate currency swaps are designed to reduce our exposure to losses resulting from adverse fluctuations in interest rates on our financial instruments. Commodity futures are designed to reduce our exposure to losses resulting from adverse fluctuations in commodity prices on metals used to manufacture our products.

Foreign Currency Exchange Rate Risk

Transaction Risk

A significant portion of our business is conducted in currencies other than the Japanese yen, most significantly the U.S. dollar. While sales denominated in U.S. dollars are, to a significant extent, offset by U.S. dollar denominated costs, we generally have had a substantial net long U.S. dollar position. To the extent that there are any open foreign currency—which, in our case, U.S. dollar-denominated—positions, we are exposed to the risk of foreign currency fluctuations. In addition, as a result of our acquisition of Emerson Electric Co.'s motors and controls business in September 2010, we are also exposed to the risk of fluctuations in the exchange rate between the U.S. dollar and the Mexican peso. Any resulting gains and losses are recorded in our results of operations for the relevant period. Foreign exchange gains and losses represent the differences between the value of monetary assets and liabilities when they are originated at exchange rates when a purchase or sale occurs and their value at the prevailing exchange rate when they are settled or translated at year-end. Foreign currency-denominated monetary assets may include bank deposits, trade receivables and other receivables, and foreign currency-denominated monetary liabilities may include trade and notes payable, borrowings and debt.

Translation Risk

Our reporting currency is the Japanese yen. We have assets and liabilities outside Japan that are subject to fluctuations in foreign currency exchange rates. Our assets and liabilities that are outside Japan are primarily located in Singapore, Thailand, the Philippines and China. We prepare financial statements of our foreign operations in their functional currencies prior to consolidation in our financial statements. Translation gains and losses arising from changes in the value of the reporting currency relative to the functional currencies of the underlying operations are recorded outside of our statement of operations in other comprehensive income until the relevant foreign operation is disposed of or liquidated.

Foreign Currency Risk Management

As our investments in foreign subsidiaries with functional currencies other than the Japanese yen are generally considered long-term, we do not hedge these net investments.

From time to time we utilize foreign currency forward contracts and foreign currency options derivative instruments to manage exposure to exchange rate volatility for accounts payable, accounts receivable and anticipated transactions denominated in foreign currencies. However, we do not use instruments with leverage, or exotic options, to mitigate market risk. Changes in the fair value of derivatives are charged to current earnings. However certain derivatives may qualify for hedge accounting as a cash flow hedge, if the hedging relationship is expected to be highly effective in achieving offsetting of cash flows of the hedging instruments and hedged items. Under hedge accounting, changes in the fair value of the effective portion of these derivatives designated as cash flow hedge derivatives are deferred in accumulated other comprehensive income and charged to earnings when the underlying transaction being hedged occurs. The table below sets forth the aggregate contract amounts and weighted-average contracted forward rates for annual maturities of our foreign exchange forward contracts for the next five years and thereafter as well as the item's fair value.

Foreign Currency Derivatives at March 31, 2011

	Maturity date						There- after	Total	Fair Value
	For the year ending March 31								
	2012	2013	2014	2015	2016				
Foreign Exchange Forward Contracts	(Yen in millions)								
Sell U.S. dollars (Buy Mexican peso)									
Contract amounts (in millions).....	¥2,770	¥160	-	-	-	-	¥2,930	¥477	
Weighted-average contracted forward Rate (MXN per U.S.\$1)	14.07	14.03	-	-	-	-	14.07		

Interest Rate Risk

We have long-term receivables and debt, with fixed and variable rates. We enter into interest rate swaps and other contracts designed to reduce our market risk exposure from changes in interest rates and to stabilize the fair values and cash flows of our receivables and debts.

The table below sets forth information about our derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For our loan receivables and debts, the table indicates whether the interest component is fixed or variable, the amount of the cash flows and the expected weighted-average interest rate for the next five years and thereafter as well as the items' fair value. For our interest rate currency swaps, the table presents payment type, notional principal amounts and weighted-average interest rates by expected (contracted) maturity dates as well as the items' fair value. Notional amounts are used to calculate the contractual payments to be exchanged under the contracts.

Interest Rate Risk at March 31, 2011

	Maturity date						There-af ter	Total	Fair Value
	For the year ending March 31								
	2012	2013	2014	2015	2016				
Long-term Loan Receivable	(Yen in millions)								
Fixed Rate									
Principal cash flows	-	98	53	35	28	25	239	240	
Weighted-average interest rate	-	2.10%	1.77%	1.70%	0.71%	0.30%	1.62%		
Floating Rate									
Principal cash flows	-	1	0	0	1	1	3	3	
Weighted-average interest rate	-	1.75%	2.07%	2.38%	2.70%	3.14%	2.45%		
Long-term Debt									
Fixed Rate (long-term loan)									
Principal cash flows	23	28	32	31	31	156	301	250	
Weighted-average interest rate	0.41%	0.33%	0.31%	0.29%	0.25%	0.40%	0.36%		
Fixed Rate (convertible bonds)									
Principal cash flows	-	-	-	-	100,000	-	100,000	104,638	
Weighted-average interest rate	-	-	-	-	0.00%	-	0.00%		
Floating Rate (long-term loan)									
Principal cash flows	1	0	0	0	1	1	3	3	

Weighted-average interest rate	1.95%	2.76%	3.07%	3.38%	3.70%	4.24%	3.40%
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Interest Rate Currency

Swaps

Fixed rate payments

Principal cash flows (THB)	24	-	-	-	-	-	24	(2)
Notional amounts	24	-	-	-	-	-	24	
Weighted-average interest rate	6.65%	-	-	-	-	-	6.65%	

Floating rate receivables

Principal cash flows (JPY)	24	-	-	-	-	-	24	
Notional amounts	24	-	-	-	-	-	24	
Weighted-average interest rate	1.04%	-	-	-	-	-	1.04%	

Equity Price Risk

We hold available-for-sale securities and held-to-maturity securities that are included in our marketable securities. At March 31, 2010, the fair value of available-for-sale securities and held-to-maturity securities were ¥16,564 million and ¥200 million, respectively. At March 31, 2011, the fair value of available-for-sale securities and held-to-maturity securities were ¥14,623 million and ¥203 million, respectively.

If the fair value of available-for-sale securities were to change by 10%, the impact on the carrying amount of those securities as of March 31, 2011 would be ¥1,462 million.

For further information relating to marketable securities, see "Item 5.A. Operating and Financial Review and Prospects — Operating Results — Application of Critical Accounting Policies — Other-than-temporary Losses on Marketable Securities" and Note 10 to our audited consolidated financial statements included elsewhere in this annual report.

Commodity Price Risk

We are exposed to market risk due to changes in the prices of commodities, including metals used to manufacture our products. We enter into commodity price futures contracts to reduce our exposure to commodity price fluctuations. The following table provides the contractual amount and fair value of our commodity price futures contracts at March 31, 2011.

Commodity Price Risk at March 31, 2011

	For the year ended March 31	
	2011	
	Contractual amount	Fair value
Commodity futures	(Yen in millions)	
Commodity price futures contracts	1,964	179

Item 12. Description of Securities Other Than Equity Securities.**A. Debt Securities.**

Not applicable.

B. Warrants and Rights.

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares.***Fees and charges payable by ADS holders***

According to our Deposit Agreement with the ADS depository, J.P. Morgan Chase Bank, or the Depository, holders of our ADSs may have to pay to the Depository, either directly or indirectly, fees or charges up to the amounts set forth below:

Category	Depository Actions	Associated Fee
Depositing or substituting underlying shares	Acceptance of shares deposited, and issuance of ADSs against deposits of shares, including deposits and issuances in respect of: <ul style="list-style-type: none">• Share distributions, stock split, rights, and merger• Exchange of shares or any other transaction or event or other distribution affecting the ADSs or the deposited securities	US\$5.00 for each 100 ADSs (or portion thereof) evidenced by the new ADRs delivered
Selling or exercising rights	Distribution or sale of shares, the fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such shares	US\$5.00 for each 100 ADSs (or portion thereof)
Withdrawing underlying shares	Acceptance of ADSs surrendered for withdrawal of deposited shares	US\$5.00 for each 100 ADSs (or portion thereof) evidenced by the ADSs surrendered
Transferring, splitting or grouping receipts	Transfers, combining or grouping of depository receipts	US\$2.50 per ADS

Category	Depositary Actions	Associated Fee
Expenses of the depositary	<p>Expenses incurred on behalf of holders in connection with:</p> <ul style="list-style-type: none"> • Compliance with foreign exchange control regulations or any law or regulation relating to foreign investment • The Depositary's or its custodian's compliance with applicable law, rule or regulation • Stock transfer or other taxes and other governmental charges • Cable, telex, facsimile transmission and delivery • Expenses of the Depositary in connection with the conversion of foreign currency into U.S. dollars (which are paid out of such foreign currency) • Any other charge payable by the Depositary or its agents 	Expenses payable at the sole discretion of the Depositary by billing holders or by deducting charges from one or more cash dividends or other cash distributions

Fees and Payments made by the Depositary to the Issuer

The Depositary has agreed to reimburse certain reasonable company expenses related to our ADR Program and incurred by us in connection with the Program, including investor relations expenses and stock exchange application and listing fees. There are limits on the amount of expenses for which the Depositary will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the Depositary collects from investors. Under certain circumstances, including where the ADR Program is terminated prior to December 31, 2011, we are required to repay to the Depositary the amounts reimbursed in prior periods. For calendar year 2010, the Depositary has agreed to reimburse us an aggregate of US\$50,000 consisting of US\$12,000 for investor relations activities in the United States and US\$38,000 for continued ADR listing on the New York Stock Exchange.

For more information on our ADR Program, see “Item 10. B. Additional Information— Memorandum and Articles of Association”.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

None.

Item 15. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, management conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of March 31, 2011. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2011, our disclosure controls and procedures were effective. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has evaluated the effectiveness of our internal control over financial reporting based upon criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, management determined that we maintained effective internal control over financial reporting as of March 31, 2011.

Management has excluded Emerson Electric Co.'s motors and controls business from its assessment of the effectiveness of our internal control over financial reporting as of March 31, 2011 because we consummated the acquisition of the business on September 30, 2010. As of and for the fiscal year ended March 31, 2011, net sales and total assets of the acquired business accounted for 5.2% and 9.9% of our net sales and

total assets, respectively, reported in our audited consolidated financial statements included elsewhere in this annual report.

Our independent registered public accounting firm, Kyoto Audit Corporation, has audited the effectiveness of our internal control over financial reporting as of March 31, 2011, as stated in their report which appears on page F-2 of this annual report.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the fiscal year ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 16A. Audit Committee Financial Expert.

Our Board of Corporate Auditors has determined that we do not have an “audit committee financial expert” as defined in Item 16A of Form 20-F serving on the Board of Corporate Auditors. Our Board of Directors and Board of Corporate Auditors believe that the combined knowledge, skills and experience of the Board of Corporate Auditors, elected and acting in accordance with the Company Law of Japan, enables its members, as a group, to act effectively in the fulfillment of their tasks and responsibilities, including those under the U.S. Sarbanes-Oxley Act of 2002. In addition, the Corporate Auditors have the power and authority to engage outside experts as they deem appropriate to provide them with advice on matters related to their responsibilities.

Item 16B. Code of Ethics.

We have adopted a written code of ethics for our chief executive officer, chief financial officer, chief accounting officer and other senior officers. The code of ethics is also applicable to our directors, corporate auditors, other officers and all employees. The code of ethics was first adopted on May 1, 2003 and most recently updated and renamed as “Compliance Code of Conduct” on January 11, 2011. The most recent updates were intended to clarify the fundamental principles of, and reorganize and improve the presentation of, our code of ethics as part of our ongoing effort to enhance our corporate governance framework.

Our Compliance Code of Conduct is available at www.nidec.co.jp/english/ir/governance/compliance.html and also attached as Exhibit 11 to this annual report.

Item 16C. Principal Accountant Fees and Services.

Principal Independent Registered Public Accounting Firm Audit Fees and Services Fees

The following table presents the aggregate fees for professional services and other services rendered by Kyoto Audit Corporation, a cooperating firm of PricewaterhouseCoopers, and by member firms of the PricewaterhouseCoopers network to us in fiscal years ended March 31, 2010 and 2011:

Type of Fees	Yen in millions		U.S. dollars in
	For the year ended March 31,		thousands
	2010	2011	For the year ended March 31, 2011
Audit Fees ⁽¹⁾	¥738	¥770	\$9,260
Audit-Related Fees ⁽²⁾	0	9	108
Tax Fees ⁽³⁾	32	19	229
All Other Fees ⁽⁴⁾	6	0	0
Total	¥776	¥798	\$9,597

Notes:

- (1) Audit fees consist of fees for professional services provided in connection with the audit of our annual financial statements and review of our quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.
- (2) Audit related fees are fees for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and were not otherwise included in Audit Fees. These fees include fees for audits of employee benefit plans, due diligence related to mergers and acquisitions, attestations that are not required by statute or regulation, and consulting on financial accounting and reporting standards.
- (3) Tax fees represent fees for professional services for tax compliance, tax advice and tax planning.
- (4) All other fees include fees for products and services provided other than the services reported above.

The Board of Corporate Auditors has concluded the provision of the non-audit services listed above is compatible with maintaining the independence of Kyoto Audit Corporation.

Pursuant to Rule 2-01(c)(7) of Regulation S-X, the Board of Corporate Auditors pre-approves the engagement of our principal accountants and the engagement of the member firms of the PricewaterhouseCoopers network to render audit and non-audit services to us. As a general rule, the Board of Corporate Auditors specifically pre-approves the engagement of such services after examining the details of the proposal engagement submitted by our management. With respect to certain specified audit and non-audit services, once every year, the Board of Corporate Auditors generally pre-approves the engagement of our principal accountants and their affiliates to render such services pursuant to the Board's pre-approval policies and procedures. Under the pre-approval policies and procedures, services that are the subject of general pre-approval are specifically identified, together with the maximum aggregate fee amount that may be paid for each such service. The Board of Corporate Auditors reviews this list of specific services and related matters on an annual basis. All services to be rendered by our principal accountants or their affiliates that are not specifically identified must be specifically pre-approved by the Board of Corporate Auditors. Even for those services that are specifically identified, the rendering of such services for fees in excess of the maximum aggregate fee amount under the pre-approval policies and procedures must be specifically pre-approved by the Board of Corporate Auditors.

In the fiscal year ended March 31, 2011, none of the services described above under this Item 16C were approved by our Audit Committee pursuant to the exemption provided under Rule 2-01(c)(7)(i)(C) of Regulation S-X, which provides for an exception to the general requirement for pre-approval in certain

circumstances.

In the fiscal year ended March 31, 2010, the Board of Corporate Auditors approved some of the services relating to “Audit-Related Fees” set forth above pursuant to Rule 2-01(c)(7)(i)(C) of Regulation S-X, which services related to less than 0.1% of Total fees.

Item 16D. Exemptions from the Listing Standards for Audit Committees.

With respect to the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934 relating to listed company audit committees, which apply to us through Section 303A.06 of the New York Stock Exchange’s Listed Company Manual, we rely on the exemption provided by paragraph (c)(3) of that Rule available to foreign private issuers with boards of corporate auditors meeting certain requirements. For a New York Stock Exchange-listed Japanese company with a Board of Corporate Auditors, the requirements for relying on paragraph (c)(3) of Rule 10A-3 are as follows:

- (a) The Board of Corporate Auditors is established, and its members are selected, pursuant to Japanese law expressly requiring such a board for Japanese companies that elect to have a corporate governance system with corporate auditors.
- (b) Japanese law requires the Board of Corporate Auditors to be separate from the board of directors.
- (c) None of the members of the Board of Corporate Auditors is elected by management, and none of the listed company’s executive officers is a member of the Board of Corporate Auditors.
- (d) Japanese law sets forth standards for the independence of the members of the Board of Corporate Auditors from the listed company or its management.
- (e) The Board of Corporate Auditors, in accordance with Japanese law or the listed company’s governing documents, is responsible, to the extent permitted by Japanese law, for the appointment, retention and oversight of the work of any registered public accounting firm engaged (including, to the extent permitted by Japanese law, the resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed company, including its principal accountant which audits its consolidated financial statements included in its annual reports on Form 20-F.
- (f) To the extent permitted by Japanese law:
 - the Board of Corporate Auditors establishes procedures for (i) the receipt, retention and treatment of complaints received by the listed company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by the listed company’s employees of concerns regarding questionable accounting or auditing matters;
 - the Board of Corporate Auditors has the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties; and
 - the listed company provides for appropriate funding, as determined by its Board of Corporate Auditors, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit,

review or attest services for the listed company, (ii) compensation to any advisers employed by the Board of Corporate Auditors, and (iii) ordinary administrative expenses of the Board of Corporate Auditors that are necessary or appropriate in carrying out its duties.

In our assessment, our Board of Corporate Auditors meets the requirements for reliance on the exemption in paragraph (c)(3) of Rule 10A-3 described above and is not materially less effective than an audit committee meeting all the requirements of paragraph (b) of Rule 10A-3 (without relying on any exemption provided by that Rule) in acting independently and satisfy the other requirements of the Rule.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchases.

The following table sets forth information concerning the purchases of shares of our common stock made by us during the fiscal year ended March 31, 2011:

	Shares	Yen	Shares	Shares
	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
2010				
April 1 – 30	120	¥9,873	-	-
May 1 – 31	-	-	-	-
June 1 – 30	9	8,210	-	-
July 1 – 31	152	7,753	-	-
August 1 – 31	-	-	-	-
September 1 – 30	118	7,532	-	-
October 1 – 31	564	7,087	-	-
November 1 – 30	858,867	7,421	-	-
December 1 – 31	675	8,572	-	-
2011				
January 1 – 31	313	8,257	-	-
February 1 – 28	63	8,005	-	3,000,000
March 1 – 31	671,056	7,206	670,900	2,329,100
Total	1,531,937	¥7,328	670,900	2,329,100

Notes:

(1) During the fiscal year ended March 31, 2011, in addition to the shares repurchased through a publicly announced plan or program:

- (i) A total of 2,379 shares were purchased through our purchases of shares constituting less than one unit (100 shares) from registered holders of such shares at the current market price of those shares. For a discussion of the shareholder right to require us to repurchase such shares, see “Item 10.B. Additional Information — Memorandum and Articles of Association — Japanese Unit Share System”;
- (ii) A total of 658 shares were repurchased on November 6, 2010, for an aggregate repurchase price of ¥5,435,080 through our purchase of shares constituting less than one unit (100 shares) from registered holders who received such shares in connection with a share exchange transaction between us and Nidec Servo Corporation on October 1, 2010 to make Nidec Servo a wholly owned subsidiary. For a more detailed discussion of the share exchange transaction, see “Item 4.A. Information on the Company—History and Development of the Company”;
- (iii) A total of 858,000 shares were repurchased on November 19, 2010, for an aggregate repurchase price of ¥6,366,360,000 through our purchase of shares from registered holders who dissented to the

share exchange transaction between us and Nidec Servo described above.

- (2) We announced, on February 5, 2011, a share repurchase plan where we are authorized by the Board of Directors to repurchase up to the smaller of 3,000,000 shares or ¥25.0 billion between February 7, 2011 and February 6, 2012. The above figures include shares repurchased pursuant to the program through March 31, 2011.

Item 16F. Change in Registrant’s Certifying Accountant.

None.

Item 16G. Corporate Governance.

Companies listed on the New York Stock Exchange, or NYSE, must comply with certain listing standards regarding corporate governance under the NYSE’s Listed Company Manual, or NYSE Corporate Governance Standards. Listed companies that are foreign private issuers, such as us, however, are permitted, with certain exceptions, to follow home country practices in lieu of the NYSE Corporate Governance Standards. Our corporate governance practices, which comply with Japanese laws, regulations and stock exchange rules, and the NYSE Corporate Governance Standards followed by U.S. listed companies have the following significant differences:

Director Independence

A company listed on the NYSE must have a majority of directors that meet the independent requirements under Section 303A of the NYSE’s Listed Company Manual. The Company Law (Law No.86, 2005) of Japan, or Company Law, does not require Japanese companies with boards of corporate auditors, such as us, to have a director who is independent, as defined in the NYSE Corporate Governance Standards, on their boards of directors.

Audit Committee

A company listed on the NYSE must have an audit committee composed entirely of independent directors. We are generally exempted, with some exceptions, from this requirement by virtue of paragraph (c)(3) of Rule 10A-3 of the U.S. Securities Exchange Act of 1934.

Consistent with the requirements of the Company Law, our corporate auditors are elected by a resolution at a general meeting of shareholders. We currently have five corporate auditors, which exceeds the minimum of three corporate auditors required by the Company Law, who comprise our board of corporate auditors. Our board of corporate auditors has a statutory duty to monitor, review and report on the administration of our affairs and accounts for the benefit of our shareholders.

The Company Law requires that at least half of a company’s corporate auditors be “outside auditors,” which is defined as a corporate auditor who has not been a director, executive officer, manager or employee of the company or any of its subsidiaries at any time prior to his or her election. Four of our five current corporate auditors are outside corporate auditors.

Compensation, Nominating and Corporate Governance Committees

A company listed on the NYSE must have a compensation committee comprised entirely of independent directors. Under the Company Law, we and other Japanese companies with boards of corporate auditors are not required to establish a compensation committee. The Company Law requires that the total

amount of remuneration to be paid to all directors and the total amount of remuneration to be paid to all corporate auditors must be approved by a resolution of the general meeting of shareholders, unless their remuneration is provided for in the articles of incorporation. The distribution of remuneration among directors is broadly delegated to the board of directors, and distribution of remuneration among corporate auditors is determined by consultation among the corporate auditors.

A company listed on the NYSE must also have a nominating or corporate governance committee comprised entirely of independent directors. Under the Company Law, we and other Japanese companies with boards of corporate auditors are not required to establish a nominating or corporate governance committee. Pursuant to the Company Law, our board of directors nominates and submits a proposal for election of directors for shareholder approval. Our shareholders elect or dismiss directors by a simple majority of votes at a general meeting of shareholders. Our corporate auditors are also elected or dismissed at a general meeting of shareholders. A proposal by our board of directors to elect a corporate auditor needs the consent of our board of corporate auditors.

Corporate Governance Guidelines

A company listed on the NYSE must adopt and disclose corporate governance guidelines. Under the Financial Instruments and Exchange Law of Japan and applicable stock exchange rules, we are not required to adopt or disclose corporate governance guidelines. However, we are required to disclose policies and the present status of our corporate governance under the Financial Instruments and Exchange Law of Japan in respect of timely disclosure.

Code of Business Conduct and Ethics

A company listed on the NYSE must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors and executive officers. Under the Company Law, the Financial Instruments and Exchange Law of Japan and applicable stock exchange rules, we are not required to adopt or disclose such code of business conduct and ethics. However, we maintain and disclose as an exhibit to this annual report our Compliance Code of Conduct, which we believe is consistent with the code of ethics described under Section 406 of the U.S. Sarbanes-Oxley Act of 2002.

Shareholder Approval of Equity-Compensation Plans

A company listed on the NYSE must obtain shareholder approval for an equity compensation plan. Under the Company Law, a public company seeking to issue rights to acquire from the company shares of its stock at a prescribed price, or “stock acquisition rights,” must obtain the approval of its board of directors.

Under the Company Law, if a company desires to adopt an equity-compensation plan in which stock acquisition rights are granted on specially favorable terms to the plan's recipients, then the company must obtain shareholder approval by a "special resolution" of a general meeting of shareholders, where the quorum is one-third of the total number of voting rights and the approval of at least two-thirds of the voting rights represented at the meeting is required.

Executive Sessions

A company listed on the NYSE must hold regularly scheduled executive sessions where participants are limited to non-management directors. Under the Company Law, Japanese corporations are not required to hold such executive sessions.

PART III

Item 17. Financial Statements.

In lieu of responding to this item, we have responded to Item 18 of this annual report.

Item 18. Financial Statements.

The information required by this item is set forth in our consolidated financial statements included elsewhere in this annual report.

Item 19. Exhibits.

Exhibit Number	Description
1.1	Articles of Incorporation of Nidec Corporation (English translation) (Incorporated by reference to Nidec's annual report on Form 20-F for the year ended March 31, 2010 filed on June 23, 2010)
1.2	Share Handling Regulations of Nidec Corporation (English translation) (Incorporated by reference to Nidec's annual report on Form 20-F for the year ended March 31, 2009 filed on June 25, 2009)
1.3	Regulations of the Board of Directors of Nidec Corporation (English translation) (Incorporated by reference to Nidec's annual report on Form 20-F/A for the year ended March 31, 2008 filed on December 24, 2008)
1.4	Regulations of the Board of Corporate Auditors of Nidec Corporation (English translation) (Incorporated by reference to Nidec's annual report on Form 20-F/A for the year ended March 31, 2008 filed on December 24, 2008)
2.1	Form of Deposit Agreement among Nidec Corporation, JP Morgan Chase Bank, N.A. (formerly, Morgan Guaranty Trust Company of New York) as Depositary and all owners and holders from time to time of American Depositary Receipts (Incorporated by reference to the Registration Statement on Form F-6 (file no. 333-13896) filed on September 7, 2001, as amended by Post-Effective Amendment No.1 to the Registration Statement on Form F-6 on December 12, 2003)
2.2	Form of American Depositary Receipt (Incorporated by reference to the Registration Statement on Form F-6 (file no. 333-143706) filed on June 13, 2007)
4.1	Loan Agreement, dated December 3, 2008, between Nidec Corporation and S.N. Kohsan (English translation) (Incorporated by reference to Nidec's annual report on Form 20-F for the year ended March 31, 2009 filed on June 25, 2009)
4.2	Share Exchange Agreement, dated April 26, 2010 between Nidec Corporation and Nidec Servo Corporation (Incorporated by reference to Nidec's annual report on Form 20-F for the year ended March 31, 2010 filed on June 23, 2010)
8.1	Subsidiaries of Nidec Corporation
11.1	Compliance Code of Conduct (English translation)
12.1	Certification of the Chief Executive Officer required by Rule 13a-14(a)
12.2	Certification of the Chief Financial Officer required by Rule 13a-14(a)
13.1	Certification of the Chief Executive Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
13.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

We have not included as exhibits certain instruments with respect to our long-term debt, the amount of debt authorized under each of which does not exceed 10% of our total assets, and we agree to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NIDEC CORPORATION

By: /s/ Shigenobu Nagamori
Name: Shigenobu Nagamori
Title: President, Chief Executive Officer and
Representative Director

Date: June 23, 2011

INDEX OF EXHIBITS

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NIDEC CORPORATION
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Nihon Densan Kabushiki Kaisha
("NIDEC Corporation"):

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in equity, and cash flows present fairly, in all material respects, the financial position of NIDEC Corporation and its subsidiaries (The "Company") at March 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2011 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting appearing under Item 15, management has excluded Emerson Electric Co.'s motors and control business from its assessment of internal control over financial reporting as of March 31, 2011 because it was acquired by the Company in a purchase business combination on September 30, 2010. We have also excluded the Emerson Electric Co.'s motors and control business from our audit of internal control over financial reporting. Emerson Electric Co.'s motors and control business is a wholly-owned business whose total assets and net sales represent 9.9% and 5.2%, respectively, of the related consolidated financial statement amounts as of and for the year ended March 31, 2011.

/s/Kyoto Audit Corporation
Kyoto, Japan
June 22, 2011

NIDEC CORPORATION
CONSOLIDATED BALANCE SHEETS
ASSETS

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Current assets:			
Cash and cash equivalents	¥123,309	¥94,321	\$1,134,348
Trade notes and accounts receivable, net of allowance for doubtful accounts of ¥398 million on March 31, 2010 and ¥496 million (\$5,965 thousand) on March 31, 2011:			
Notes	10,968	11,486	138,136
Accounts	151,430	154,091	1,853,169
Inventories	69,503	90,377	1,086,915
Other current assets	19,673	22,822	274,467
Total current assets	<u>374,883</u>	<u>373,097</u>	<u>4,487,035</u>
Marketable securities and other securities investments	17,462	15,338	184,462
Investments in and advances to affiliated companies	614	588	7,072
	<u>18,076</u>	<u>15,926</u>	<u>191,534</u>
Property, plant and equipment:			
Land	39,605	41,763	502,261
Buildings	127,152	135,794	1,633,121
Machinery and equipment	269,208	291,664	3,507,685
Construction in progress	12,436	15,434	185,616
	<u>448,401</u>	<u>484,655</u>	<u>5,828,683</u>
Less - Accumulated depreciation	<u>(247,094)</u>	<u>(250,246)</u>	<u>(3,009,573)</u>
	<u>201,307</u>	<u>234,409</u>	<u>2,819,110</u>
Goodwill	72,231	82,107	987,456
Other non-current assets, net of allowance for doubtful accounts of ¥1,432 million on March 31, 2010 and ¥517 million (\$6,218 thousand) on March 31, 2011	26,294	42,666	513,121
Total assets	<u>¥692,791</u>	<u>¥748,205</u>	<u>\$8,998,256</u>

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

NIDEC CORPORATION
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND SHAREHOLDERS' EQUITY

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u> <u>2011</u>
Current liabilities:			
Short-term borrowings	¥115,467	¥52,018	\$625,592
Current portion of long-term debt.....	1,497	1,124	13,518
Trade notes and accounts payable.....	109,143	112,759	1,356,091
Accrued expenses	18,455	22,039	265,051
Other current liabilities	17,703	18,895	227,240
Total current liabilities	<u>262,265</u>	<u>206,835</u>	<u>2,487,492</u>
Long-term liabilities:			
Long-term debt	1,745	101,819	1,224,522
Accrued pension and severance costs.....	15,542	12,824	154,227
Other long-term liabilities.....	11,708	16,221	195,081
Total long-term liabilities.....	<u>28,995</u>	<u>130,864</u>	<u>1,573,830</u>
Commitments and contingencies (Note 22 and 23)			
Equity:			
Common stock authorized 2010 and 2011: 480,000,000 shares; issued and outstanding:			
2010- 145,075,080 shares /			
2011- 145,075,080 shares.....	66,551	66,551	800,373
Additional paid-in capital	69,090	66,960	805,292
Retained earnings.....	257,255	298,445	3,589,236
Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments.....	(29,234)	(45,162)	(543,139)
Unrealized gains from securities, net of reclassification adjustments	1,747	1,066	12,820
Unrealized gains from derivative instruments qualifying for cash flow hedges	-	219	2,634
Pension liability adjustments	(1,033)	(544)	(6,542)
Treasury stock, at cost:			
2010- 5,784,406 shares /			
2011- 6,593,647 shares.....	<u>(24,067)</u>	<u>(32,285)</u>	<u>(388,274)</u>
Total Nidec Corporation shareholders' equity ...	340,309	355,250	4,272,400
Noncontrolling interests.....	61,222	55,256	664,534
Total equity	<u>401,531</u>	<u>410,506</u>	<u>4,936,934</u>
Total liabilities and equity	<u>¥692,791</u>	<u>¥748,205</u>	<u>\$8,998,256</u>

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

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31, 2011
	2009	2010	2011	2011
Net sales.....	¥610,803	¥586,029	¥688,530	\$8,280,577
Operating expenses:				
Cost of products sold.....	480,475	435,035	513,170	6,171,618
Selling, general and administrative expenses ...	51,488	48,025	56,845	683,643
Research and development expenses.....	26,825	24,456	27,988	336,597
	<u>558,788</u>	<u>507,516</u>	<u>598,003</u>	<u>7,191,858</u>
Operating income.....	<u>52,015</u>	<u>78,513</u>	<u>90,527</u>	<u>1,088,719</u>
Other income (expense):				
Interest and dividend income.....	2,536	838	1,063	12,784
Interest expense	(1,403)	(702)	(365)	(4,390)
Foreign exchange loss, net.....	(3,683)	(2,958)	(9,197)	(110,607)
(Loss) gain on marketable securities, net.....	(1,305)	52	(238)	(2,862)
Other, net	(890)	(560)	(2,265)	(27,240)
	<u>(4,745)</u>	<u>(3,330)</u>	<u>(11,002)</u>	<u>(132,315)</u>
Income from continuing operations before income taxes	<u>47,270</u>	<u>75,183</u>	<u>79,525</u>	<u>956,404</u>
Income taxes	(12,475)	(17,530)	(18,533)	(222,886)
Equity in net (loss) income of affiliated companies	(48)	(45)	6	72
Income from continuing operations	<u>34,747</u>	<u>57,608</u>	<u>60,998</u>	<u>733,590</u>
Loss on discontinued operations.....	(3,512)	(1,457)	(3,506)	(42,165)
Consolidated net income.....	<u>31,235</u>	<u>56,151</u>	<u>57,492</u>	<u>691,425</u>
Less: Net income attributable to noncontrolling interests	(2,882)	(4,190)	(5,159)	(62,044)
Net income attributable to Nidec Corporation.....	<u>¥28,353</u>	<u>¥51,961</u>	<u>¥52,333</u>	<u>\$629,381</u>
		Yen		U.S. dollars
Per share data:				
Earning per share - basic				
Income from continuing operations attributable to Nidec Corporation	¥215.10	¥380.43	¥391.94	\$4.71
Loss on discontinued operations attributable to Nidec Corporation	(17.68)	(7.39)	(16.03)	(0.19)
Net income attributable to Nidec Corporation..	<u>197.42</u>	<u>373.04</u>	<u>375.91</u>	<u>4.52</u>
Earning per share - diluted				
Income from continuing operations attributable to Nidec Corporation	¥211.53	¥380.43	¥378.27	\$4.55
Loss on discontinued operations attributable to Nidec Corporation	(17.41)	(7.39)	(15.47)	(0.19)
Net income attributable to Nidec Corporation..	<u>194.12</u>	<u>373.04</u>	<u>362.80</u>	<u>4.36</u>
Cash dividends paid.....	<u>¥60.00</u>	<u>¥55.00</u>	<u>¥80.00</u>	<u>\$0.96</u>

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

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(continued)

	<u>Yen in millions</u>			<u>U.S. dollars in thousands</u>
	<u>For the year ended March 31</u>			<u>For the year ended March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net income attributable to Nidec Corporation				
Income from continuing operations attributable to Nidec Corporation.....	¥30,891	¥52,990	¥54,564	\$656,212
Loss on discontinued operations attributable to Nidec Corporation.....	(2,538)	(1,029)	(2,231)	(26,831)
Net income attributable to Nidec Corporation.....	<u>¥28,353</u>	<u>¥51,961</u>	<u>¥52,333</u>	<u>\$629,381</u>

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Yen in millions

	Common stock		Additional Paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Loan to Share- holder	Nidec Corporation total shareholders' equity	Non- controlling interests	Total
	Shares	Amount								
Balance at March 31, 2008	144,987,492	¥66,248	¥68,859	¥193,407	¥(8,649)	¥(281)	¥-	¥319,584	¥68,186	¥387,770
Adjustment to apply the measurement date provision of ASC 715, net of tax				(106)	(5)			(111)	(22)	(133)
Comprehensive income:										
Net income				28,353				28,353	2,882	31,235
Other comprehensive income (loss):										
Foreign currency translation adjustments					(16,091)			(16,091)	(851)	(16,942)
Unrealized losses on securities, net of reclassification adjustment					(1,433)			(1,433)	(772)	(2,205)
Pension liability adjustments					(1,286)			(1,286)	(164)	(1,450)
Total comprehensive income								9,543	1,095	10,638
Conversion of convertible debt	87,588	303	303					606	-	606
Purchase of treasury stock						(23,775)		(23,775)	-	(23,775)
Payment for loan to shareholder							(14,500)	(14,500)	-	(14,500)
Collection of loan to shareholder							14,500	14,500	-	14,500
Dividends paid to shareholders of Nidec Corporation				(8,699)				(8,699)	-	(8,699)
Dividends paid to noncontrolling interests								-	(2,205)	(2,205)
Capital transaction with consolidated subsidiaries and other								-	(6,515)	(6,515)
Balance at March 31, 2009	145,075,080	¥66,551	¥69,162	¥212,955	¥(27,464)	¥(24,056)	¥-	¥297,148	¥60,539	¥357,687
Comprehensive income:										
Net income				51,961				51,961	4,190	56,151
Other comprehensive income (loss):										
Foreign currency translation adjustments					(2,910)			(2,910)	(211)	(3,121)
Unrealized gains from securities, net of reclassification adjustment					2,164			2,164	581	2,745
Pension liability adjustments					(310)			(310)	104	(206)
Total comprehensive income								50,905	4,664	55,569
Purchase of treasury stock						(11)		(11)	-	(11)
Dividends paid to shareholders of Nidec Corporation				(7,661)				(7,661)	-	(7,661)
Dividends paid to noncontrolling interests								-	(1,197)	(1,197)
Capital transaction with consolidated subsidiaries and other				(72)				(72)	(2,784)	(2,856)
Balance at March 31, 2010	145,075,080	¥66,551	¥69,090	¥257,255	¥(28,520)	¥(24,067)	¥-	¥340,309	¥61,222	¥401,531

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(continued)

	Yen in millions								
	Common stock		Additional Paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock, at cost	Nidec Corporation total shareholders' equity	Non- controlling interests	Total
	Shares	Amount							
Balance at March 31, 2010	145,075,080	¥66,551	¥69,090	¥257,255	¥(28,520)	¥(24,067)	¥340,309	¥61,222	¥401,531
Comprehensive income:									
Net income				52,333			52,333	5,159	57,492
Other comprehensive income (loss):									
Foreign currency translation adjustments.....					(15,928)		(15,928)	(533)	(16,461)
Unrealized losses on securities, net of reclassification adjustment					(681)		(681)	(226)	(907)
Unrealized gains from derivative instruments qualifying for cash flow hedges					219		219	-	219
Pension liability adjustments.....					489		489	(56)	433
Total comprehensive income							36,432	4,344	40,776
Purchase of treasury stock						(11,226)	(11,226)	-	(11,226)
Change in ownership of Nidec Servo in connection with share exchange transaction			1,186			3,002	4,188	(3,725)	463
Dividends paid to shareholders of Nidec Corporation				(11,143)			(11,143)	-	(11,143)
Dividends paid to noncontrolling interests							-	(1,655)	(1,655)
Capital transaction with consolidated subsidiaries and other			(3,316)			6	(3,310)	(4,930)	(8,240)
Balance at March 31, 2011	145,075,080	¥66,551	¥66,960	¥298,445	¥(44,421)	¥(32,285)	¥355,250	¥55,256	¥410,506

	U.S. dollars in thousands							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income(loss)	Treasury stock, at cost	Nidec Corporation total shareholders' equity	Non- controlling interests	Total
	Balance at March 31, 2010	\$800,373	\$830,909	\$3,093,866	\$(342,995)	\$(289,441)	\$4,092,712	\$736,284
Comprehensive income:								
Net income			629,381			629,381	62,044	691,425
Other comprehensive income (loss):								
Foreign currency translation adjustments				(191,557)		(191,557)	(6,410)	(197,967)
Unrealized losses on securities, net of reclassification adjustment				(8,190)		(8,190)	(2,718)	(10,908)
Unrealized gains from derivative instruments qualifying for cash flow hedges				2,634		2,634	-	2,634
Pension liability adjustments				5,881		5,881	(673)	5,208
Total comprehensive income						438,149	52,243	490,392
Purchase of treasury stock					(135,009)	(135,009)	-	(135,009)
Change in ownership of Nidec Servo in connection with share exchange transaction		14,263			36,103	50,366	(44,799)	5,567
Dividends paid to shareholders of Nidec Corporation			(134,011)			(134,011)	-	(134,011)
Dividends paid to noncontrolling interests						-	(19,904)	(19,904)
Capital transaction with consolidated subsidiaries and other		(39,880)			73	(39,807)	(59,290)	(99,097)
Balance at March 31, 2011	\$800,373	\$805,292	\$3,589,236	\$(534,227)	\$(388,274)	\$4,272,400	\$664,534	\$4,936,934

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

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Cash flows from operating activities:				
Consolidated net income.....	¥31,235	¥56,151	¥57,492	\$691,425
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation.....	32,147	29,185	32,981	396,645
Amortization.....	1,933	1,954	2,729	32,820
Loss (gain) on marketable securities, net.....	1,305	(52)	238	2,862
Loss on sales, disposal or impairment of property, plant and equipment.....	1,282	1,088	545	6,554
Deferred income taxes.....	1,085	(740)	(4,496)	(54,071)
Equity in net loss (income) of affiliated companies.....	48	45	(6)	(72)
Foreign currency adjustments.....	2,091	4,036	5,523	66,422
Accrual for pension and severance costs, net payments.....	366	(1,457)	(3,745)	(45,039)
Changes in operating assets and liabilities:				
Decrease (increase) in notes and accounts receivable.....	38,041	(32,537)	3,995	48,046
Decrease (increase) in inventories.....	11,238	(8,442)	(15,856)	(190,692)
(Decrease) increase in notes and accounts payable.....	(46,469)	29,799	(3,058)	(36,777)
(Decrease) increase in accrued income taxes.....	(3,631)	5,995	(124)	(1,491)
Other.....	(4,440)	5,055	6,866	82,573
Net cash provided by operating activities.....	<u>¥66,231</u>	<u>¥90,080</u>	<u>¥83,084</u>	<u>\$999,205</u>

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

NIDEC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued)

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Cash flows from investing activities:				
Additions to property, plant and equipment.....	¥(38,501)	¥(36,608)	¥(55,010)	\$(661,575)
Proceeds from sales of property, plant and equipment	865	633	960	11,545
Purchases of marketable securities	(3,609)	(10)	(12)	(144)
Acquisitions of business, net of cash acquired	(756)	(4,396)	(51,594)	(620,493)
Other	(1,372)	(133)	(1,286)	(15,466)
Net cash used in investing activities	<u>(43,373)</u>	<u>(40,514)</u>	<u>(106,942)</u>	<u>(1,286,133)</u>
Cash flows from financing activities:				
Increase (decrease) in short-term borrowings.....	153,934	(109,100)	(63,205)	(760,132)
Repayments of long-term debt.....	(2,067)	(1,733)	(2,016)	(24,245)
Proceeds from issuance of corporate bonds.....	-	-	100,500	1,208,659
Redemption of corporate bonds.....	(26,412)	-	-	-
Purchases of treasury stock.....	(23,775)	(11)	(11,226)	(135,009)
Payments for additional investments in subsidiaries	(9,286)	(3,152)	(7,827)	(94,131)
Payment for loan to shareholder	(14,500)	-	-	-
Collection of loan to shareholder.....	14,500	-	-	-
Dividends paid to shareholders of Nidec Corporation.....	(8,699)	(7,661)	(11,143)	(134,011)
Dividends paid to noncontrolling interests	(2,205)	(1,197)	(1,655)	(19,904)
Other	384	75	336	4,041
Net cash provided by (used in) financing activities.....	<u>81,874</u>	<u>(122,779)</u>	<u>3,764</u>	<u>45,268</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(4,575)</u>	<u>(4,444)</u>	<u>(8,894)</u>	<u>(106,963)</u>
Net increase (decrease) in cash and cash equivalents.....	100,157	(77,657)	(28,988)	(348,623)
Cash and cash equivalents at beginning of year	<u>100,809</u>	<u>200,966</u>	<u>123,309</u>	<u>1,482,971</u>
Cash and cash equivalents at end of year.....	<u>¥200,966</u>	<u>¥123,309</u>	<u>¥94,321</u>	<u>\$1,134,348</u>

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

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

1. Nature of operations:

NIDEC Corporation (the "Company") and its subsidiaries (collectively "NIDEC") are primarily engaged in the design, development, manufacture and marketing of i) small precision motors, which include spindle motors for hard disk drives, motors for optical disk drives, small precision fans and other small motors; ii) general motors, which are used in various electric household appliances, industrial equipment and automobiles; iii) machinery, which includes, test systems, measuring equipment, power transmission equipment, factory automation systems, card readers and industrial robots; iv) electronic and optical components, which include camera shutters, camera lens units, switches, trimmer potentiometers, motor driven actuator units, processing and precision plastic mold products; and v) other products, which include auto parts, pivot assemblies, other components and other services. Manufacturing operations are located primarily in Asia (China, Thailand, Vietnam, the Philippines and Singapore), Japan and North America, and sales subsidiaries are primarily located in Asia, North America and Europe.

The main customers for NIDEC are manufacturers of hard disk drives. NIDEC also sells its products to the manufacturers of various electric household appliances, automation equipment, automotive components, home video game consoles, telecommunication equipment and audio-visual equipment.

From the second quarter of the year ended March 31, 2011, the "Mid-size motors" product category has been changed to "General motors" which includes both Mid-size motors and Large-size motors, because our motor product line has been expanded to include large industrial motors with the completion of the acquisition of Emerson Electric Co.'s motors and controls business on September 30, 2010.

2. Summary of significant accounting policies:

The Company and its subsidiaries in Japan maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries in conformity with those of their countries of domicile. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform with accounting principles generally accepted in the United States of America. Significant accounting policies after reflecting adjustments for the above are as follows:

Estimates -

The preparation of NIDEC's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates include the allowance for doubtful accounts, depreciation and amortization of long-lived assets, valuation allowance for deferred tax assets, fair value of financial instruments, uncertain tax positions, pension liabilities, the recoverability of long-lived assets and goodwill, and fair value of

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

assets acquired and liabilities assumed. Actual results could differ from those estimates.

Basis of consolidation and accounting for investments in affiliated companies -

The consolidated financial statements include the accounts of the Company and those of its majority-owned subsidiary companies. All significant intercompany transactions and accounts have been eliminated. Companies over which NIDEC exercises significant influence, but which it does not control, are classified as affiliated companies and accounted for using the equity method. Consolidated net income includes NIDEC's equity in current earnings (losses) of such companies, after elimination of unrealized intercompany profits.

On occasion, NIDEC may acquire additional shares of the voting rights of a consolidated subsidiary or dispose of a part of those shares or a Nidec consolidated subsidiary may issue its shares to third parties. With respect to such transactions, all transactions for changes in a parent's ownership interest in a subsidiary that do not result in the subsidiary ceasing to be a subsidiary are recognized as equity transactions.

The FASB Accounting Standards Codification™(ASC) 810, "Consolidation" requires the consolidation or disclosure of variable interest entities. NIDEC does not hold any variable interests in a variable interest entity.

Translation of foreign currencies -

Non monetary asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at the year-end exchange rates and all income and expense accounts are translated at exchange rates that approximate those prevailing at the time of the transactions. The resulting translation adjustments are included as a component of accumulated other comprehensive income in shareholders' equity.

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates and the resulting transaction gains or losses are taken into income.

Cash and cash equivalents -

Cash and cash equivalents include all highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Inventories -

Inventories are stated at the lower of cost or market. Cost is determined principally on the weighted average cost basis. Cost includes the cost of materials, labor and applied factory overhead. Projects in progress, which mainly relate to production of factory automation equipment based on contracts with customers, are stated at the lower of cost or market, cost being determined as the accumulated production cost.

Marketable securities -

Marketable securities consist of equity securities that are listed on recognized stock exchanges and debt securities. Equity securities designated as available-for-sale are carried at fair

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

value with changes in unrealized gains or losses included as a component of accumulated other comprehensive income in shareholders' equity, net of applicable taxes. Realized gains and losses are determined on the average cost method and are reflected in the statement of income. Other than temporary declines in market value of individual securities classified as available-for-sale are charged to income in the period the loss occurs. Debt securities designated as held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts.

Derivative financial instruments -

NIDEC manages the exposures of fluctuations in interest rate, foreign exchange rate, and commodity prices movements through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate currency swap and commodities agreements. NIDEC does not hold derivative financial instruments for trading purposes.

Derivatives are accounted for under ASC 815, "Derivatives and Hedging." All derivatives are recorded as either assets or liabilities on the balance sheet and measured at fair value. Changes in the fair value of derivatives are charged in current earnings. However certain derivatives may qualify for hedge accounting as a cash flow hedge, if the hedging relationship is expected to be highly effective in achieving offsetting of cash flows of the hedging instruments and hedged items. Under hedge accounting, changes in the fair value of the effective portion of these derivatives designated as cash flow hedge derivatives are deferred in accumulated other comprehensive income and charged to earnings when the underlying transaction being hedged occurs.

NIDEC designates certain foreign exchange forward contracts and commodities agreements as cash flow hedges. NIDEC formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as cash flow hedges to specific assets and liabilities on the balance sheet or forecasted transactions. NIDEC also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. When it is determined that a derivative is not a highly effective hedge or that it has ceased to be a highly effective hedge, NIDEC discontinues hedge accounting prospectively. When a cash flow hedge is discontinued, the previously recognized net derivative gains or losses remain in accumulated other comprehensive income until the hedged transaction occurs, unless it is probable that the forecasted transaction will not occur at which point the derivative gains or losses are reclassified into earnings immediately.

Property, plant and equipment -

Property, plant and equipment are stated at cost. Major renewals and improvements are capitalized; minor replacements, maintenance and repairs are charged to current operations. Depreciation of property, plant and equipment is mainly computed on the declining-balance method to reflect the manner in which the machinery is used due to short product cycles and rapid technology changes by the Company and its Japanese subsidiaries, and on the straight-line method for foreign subsidiary companies at rates based on the estimated useful lives of the assets. Estimated useful lives range from 10 to 20 years for most spindle motor factories, from 7 to 47 years for

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

factories to produce other products, 50 years for the head office and sales offices, from 2 to 22 years for leasehold improvements, and from 2 to 15 years for machinery and equipment.

Depreciation expense amounted to ¥32,147 million, ¥29,185 million, and ¥32,981 million (\$396,645 thousand) for the years ended March 31, 2009, 2010 and 2011, respectively.

Lease-

NIDEC capitalizes leases and related obligations when any of the four criteria are met within the guidance of ASC 840 "Leases". Under ASC840, these leases and related obligations are capitalized at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Goodwill and other intangible assets -

Goodwill and other intangible assets are accounted for under ASC350, "Intangibles - Goodwill and Other".

Goodwill acquired in business combinations is not amortized but tested annually for impairment. NIDEC tests for impairment at the reporting unit level on January 1st of each year. In addition, NIDEC tests for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. This test is a two-step process. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value, which is based on discounted future cash flows, exceeds the carrying amount, goodwill is not considered impaired. If the carrying amount exceeds the fair value, the second step must be performed to measure the amount of the impairment loss, if any. The second step compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill.

Other intangible assets include patent rights, proprietary technology and customer relationships, as well as software and other intangible assets acquired in business combinations. Intangible assets with an indefinite life are not subject to amortization and are tested for impairment once on January 1st of each year or more frequently if an event occurs or circumstances change. Intangible assets with a definite life are amortized on a straight-line basis over their estimated useful lives. The weighted average amortization period for patent rights, proprietary technology, customer relationships and software are 7 years, 10 years, 18 years and 5 years, respectively.

Long-lived assets -

NIDEC reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset group exceeds the estimated undiscounted future cash flows expected to result from the use of the asset group and its eventual disposition. The amount of the impairment loss to be recorded is calculated as the excess of the assets group's carrying value over its fair value. Long-lived assets that are to be disposed of other than by sale are considered to be held and used until the disposal. Long-lived assets that are to be disposed of by sale are reported at the lower of their carrying value or fair value less costs to sell. Reductions in carrying value are recognized in the period in which long-lived assets are classified as held for sale.

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Revenue recognition -

NIDEC recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility is reasonably assured. For small precision motors, general motors and electronic and optical components, these criteria are generally met at the time a product is delivered to the customers' site which is the time the customer has taken title to the product and the risk and rewards of ownership have been substantively transferred. These conditions are met at the time of delivery to customers in domestic sales (FOB destination) and at the time of shipment for export sales (FOB shipping point). Revenue for machinery sales is recognized upon receipt of final customer acceptance. At the time the related revenue is recognized, NIDEC makes provisions for estimated product returns.

Research and development expenses-

Research and development expenses, mainly consisting of personnel and depreciation expenses at research and development branches, are charged to operations as incurred.

Advertising costs -

Advertising and sales promotion costs are expensed as incurred. Advertising costs were ¥300 million, ¥156 million, and ¥246 million (\$2,959 thousand) for the years ended March 31, 2009, 2010 and 2011, respectively.

Income taxes -

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

NIDEC recognizes the financial statement effects of tax positions when it is more likely than not, based on the technical merits, that the tax positions will be sustained upon examination by the tax authorities. Benefits from tax positions that meet the more-likely-than-not recognition threshold are measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement. Interest and penalties accrued related to unrecognized tax benefits are included in other, net in the consolidated statements of income.

Earnings per share -

Basic net income per common share is calculated by dividing net income by the weighted-average number of shares outstanding during the reported period. The calculation of diluted net income per common share is similar to the calculation of basic net income per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential common stock equivalents such as convertible bonds and options.

Other comprehensive income -

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NIDEC's other comprehensive income is primarily comprised of unrealized gains and losses on marketable securities designated as available-for-sale, foreign currency translation adjustments, adjustments to recognize pension liabilities associated with NIDEC's defined benefit pension plans and unrealized gains (or losses) from derivative instruments qualifying cash flow hedge.

Reclassification

Certain reclassifications of previously reported amounts have been made to the consolidated statements of balance sheets, income and cash flows for the years ended March 31, 2009 and 2010 to conform to the current year presentation.

As of December 31, 2008, NIDEC discontinued its optical pickup unit ("OPU") business. The results of the OPU business were previously recorded in the Nidec Sankyo reporting segments. In addition, as of September 30, 2009, NIDEC discontinued its semiconductor manufacturing equipment business. The results of the semiconductor manufacturing equipment business were previously recorded in the Nidec Tosok reporting segments. As of March 31, 2011, NIDEC discontinued its specialty lens unit business. The results of the specialty lens unit business were previously recorded in the Nidec Copal reporting segments. The operating results of the discontinued businesses and exit costs with related taxes were recorded as "loss on discontinued operations" in the consolidated statement of income in accordance with ASC 205-20, "Presentation of Financial Statements-Discontinued Operations".

Accounting Changes

As of April 1, 2010, NIDEC adopted FASB Accounting Standards Codification™ (ASC) 860 "Transfers and Servicing" updated by Accounting Standards Update (ASU) No. 2009-16, "Accounting for Transfers of Financial Assets". ASU 2009-16 requires more disclosure about transfers of a portion of a financial assets as sale, including securitization transactions, and where companies have continuing exposure to the risks related to transferred financial assets. ASU 2009-16 also eliminates the concept of a "qualifying special-purpose entity," which changes the criteria for derecognizing financial assets. The adoption of this standard did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

As of April 1, 2010, NIDEC adopted ASC 810 "Consolidation" updated by ASU No. 2009-17, "Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities." ASU 2009-17 requires an enterprise to perform an analysis to identify the primary beneficiary of all variable interest entities and also requires ongoing reassessments of whether an enterprise is the primary beneficiary of all variable interest entities. The adoption of this standard did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

Recent Accounting Pronouncements to be adopted in future periods

In December 2010, the FASB issued Accounting Standards Update (ASU) No. 2010-28, "Intangibles – Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts." ASU 2010-28

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modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. ASU 2010-28 is effective for fiscal years and interim periods within those years, beginning after December 15, 2010. Early adoption is prohibited. NIDEC is currently evaluating the potential impact from adopting ASU 2010-28 on its consolidated financial position, results of operations and liquidity.

In December 2010, the FASB issued ASU No. 2010-29, “Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations.” ASU 2010-29 requires a public entity that enters into business combination to disclose pro forma revenue and earnings of the combined entity in the comparative financial statements as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. ASU 2010-29 also expands the supplemental pro forma disclosures to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU 2010-29 is effective prospectively for business combinations for which the acquisition date is on or after the first annual reporting period beginning on or after December 15, 2010. Early adoption is permitted. ASU2010-29 is a provision for disclosure. The adoption of ASU2010-29 will not have any impact on NIDEC's consolidated financial position, results of operations and liquidity.

In May 2011, the FASB issued ASU No.2011-04, “Fair Value Measurement: (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” ASU 2011-04 amends current U.S. GAAP to create more commonality with IFRS by changing some of the wording used to describe requirements for measuring fair value and for disclosing information about fair value measurements. ASU 2011-04 is effective during interim and annual periods beginning after December 15, 2011. Early adoption is prohibited. The adoption of ASU 2011-04 is not expected to have a material impact on NIDEC’s consolidated financial position, results of operations and liquidity.

3. U.S. dollar amounts:

U.S. dollar amounts presented in the consolidated financial statements and the related notes are included solely for the convenience of the reader and are unaudited. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into, U.S. dollars. For this purpose, the rate of ¥83.15 = U.S. \$1, the approximate current exchange rate at March 31, 2011, was used for the presentation of the U.S. dollar amounts in the accompanying consolidated financial statements of NIDEC as of and for the year ended March 31, 2011.

4. Acquisitions and dispositions:

On June 13, 2008, NIDEC acquired all of the voting rights of Shanghai Nidec Automotive Electric Motors Limited. This acquisition did not have a material impact on NIDEC’s consolidated

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financial position, results of operations or liquidity. In addition, on August 1, 2008, NIDEC acquired an additional 3,500 new shares of Copal Yamada Corporation. NIDEC had already owned 3,000 shares of Copal Yamada Corporation prior to August 1, 2008. As a result, the number of shares of Copal Yamada Corporation's common shares held by NIDEC became 68.4%. This acquisition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On March 31, 2009, NIDEC disposed all of the shares of Nidec Nemicon Corporation, its subsidiary. This disposition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

For all of the above acquisitions, consummated prior to March 31, 2009, the total cost of these acquisitions has been allocated to the assets acquired and the liabilities assumed based on their respective fair values at the date of the acquisitions in accordance with SFAS 141, "Business Combinations".

On August 4, 2009, NIDEC acquired the additional 60.0% of the voting rights of NTN-Nidec (Zhejiang) Corporation, and NTN-Nidec (Thailand) Co., Ltd., currently Nidec Bearing (Thailand) Co., Ltd. ("NBTC"). NIDEC previously owned 40.0% of the voting rights of NBCC and NBTC prior to August 4, 2009. As a result, NIDEC acquired all of the voting rights of NBCC and NBTC. These acquisitions did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On January 26, 2010, NIDEC acquired all of the voting rights of the household motor business of Appliances Components Companies S.p.A.. As a result, NIDEC has included Nidec Sole Motor Corporation S.R.L. ("NSMC") in its scope of consolidation as wholly owned subsidiary of NIDEC. This acquisition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On February 26, 2010, NIDEC acquired 864,000 shares (or, 90.0%) of SC WADO Co., Ltd. This acquisition did not have a material impact on NIDEC's consolidated financial position, results of operations or liquidity.

On September 30, 2010, NIDEC acquired all of the assets, the liabilities and the voting rights of Emerson Electric Co.'s motors and controls ("EMC") business which consists of industrial, air conditioning and home appliance motor business for cash of ¥57,442 million (\$690,824 thousand) in order to address the need of rapidly globalizing customers by securing a strong presence in North America to complement existing operations in Asia and Europe. NIDEC also aims to complement and expand its product lineup and accelerate operational growth by effectively blending NIDEC's industry-leading brushless motor technologies with the EMC business.

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The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date of the EMC business.

	<u>Yen in millions</u>	<u>U.S. dollars in thousands</u>
	<u>September 30, 2010</u>	
	<u>Nidec Motor</u>	
Cash and cash equivalents.....	¥5,020	\$60,373
Accounts receivable	13,208	158,845
Inventories	7,701	92,616
Other current assets	1,419	17,066
Property, plant and equipment.....	20,389	245,207
Goodwill.....	11,511	138,437
Intangible assets	13,357	160,637
Other non-current assets.....	95	1,143
Total assets acquired.....	<u>72,700</u>	<u>874,324</u>
Accounts payable	(9,572)	(115,117)
Other current liabilities.....	(3,862)	(46,446)
Other non-current liabilities	(1,824)	(21,937)
Total liabilities assumed	<u>(15,258)</u>	<u>(183,500)</u>
Net assets acquired.....	<u>¥57,442</u>	<u>\$690,824</u>

Intangible assets of ¥11,723 million (\$140,986 thousand) subject to amortization include customer relationships of ¥10,494 million (\$126,206 thousand), licenses of ¥503 million (\$6,049 thousand), software of ¥360 million (\$4,330 thousand) and other intangible assets of ¥366 million (\$4,401 thousand). NIDEC has estimated the amortization period for the customer relationships, licenses and software to be 21 year, 13 year and 5 year, respectively.

Intangible assets not subject to amortization include trademarks of ¥1,634 million (\$19,651 thousand).

Goodwill recognized of ¥11,511 million (\$138,437 thousand), which is allocated to Nidec Motor segment, is attributable primarily to expected synergies of customer base and technologies of home appliance motors business from combining operations of EMC and NIDEC.

Goodwill deductible for tax purposes resulting from the transaction was ¥10,369 million (\$124,702 thousand).

Acquisition-related cost of ¥605 million (\$7,276 thousand) was included in selling, general and administrative expenses in the consolidated statements of income for the year ended March 31, 2011.

Net sales and net income of EMC that are included in the consolidated statement of income for the year ended March 31, 2011 are ¥35,458 million (\$426,434 thousand) and ¥259 million (\$3,115 thousand) respectively.

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The following represents the unaudited pro forma results of operations of NIDEC for the year ended March 31, 2009, 2010 and 2011, as if the acquisition of EMC had occurred on April 1, 2008, 2009 and 2010. The unaudited pro forma results of operations are presented for comparative purposes only and are not necessarily indicative of the results of operations that may occur in the future or that would have occurred had the acquisitions been in effect on the dates indicated.

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended March 31</u> <u>(Unaudited)</u>			<u>For the year ended</u> <u>March 31</u> <u>(Unaudited)</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Pro forma net sales	¥711,514	¥660,138	¥729,952	\$8,778,737
Pro forma net income attributable to Nidec corporation	29,113	52,780	54,446	654,793
	<u>Yen</u>			<u>U.S. dollars</u>
Pro forma net income attributable to Nidec Corporation per share				
- basic.....	¥202.71	¥378.91	¥391.09	\$4.70
- diluted.....	199.32	378.91	377.45	4.54

5. Goodwill and other intangible assets

Intangible assets subject to amortization are summarized as follows:

	<u>Yen in millions</u>				<u>U.S dollars</u> <u>in thousands</u>	
	<u>March 31</u>				<u>March 31,</u> <u>2011</u>	
	<u>2010</u>		<u>2011</u>			
	<u>Gross</u> <u>carrying</u> <u>amounts</u>	<u>Accumulated</u> <u>amortization</u>	<u>Gross</u> <u>carrying</u> <u>amounts</u>	<u>Accumulated</u> <u>amortization</u>	<u>Gross</u> <u>carrying</u> <u>amounts</u>	<u>Accumulated</u> <u>amortization</u>
Patent rights.....	¥707	¥302	¥934	¥422	\$11,233	\$5,075
Proprietary technology	1,931	617	1,785	744	21,467	8,948
Customer relationships	6,325	1,677	16,670	2,336	200,481	28,094
Software	6,694	3,213	8,556	3,830	102,898	46,061
Other.....	1,854	710	2,787	954	33,518	11,473
Total.....	<u>¥17,511</u>	<u>¥6,519</u>	<u>¥30,732</u>	<u>¥8,286</u>	<u>\$369,597</u>	<u>\$99,651</u>

The weighted average amortization period for patent rights, proprietary technology, customer relationships and software are 7 years, 10 years, 18 years and 5 years, respectively.

Total amortization of intangible assets for the years ended March 31, 2009, 2010 and 2011

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amounted to ¥1,784 million, ¥1,863 million and ¥2,605 million (\$31,329 thousand), respectively.

Total indefinite lived intangible assets amounted to ¥144 million and ¥1,846 million (\$22,201 thousand) as of March 31, 2010 and 2011, respectively.

The estimated aggregate amortization expense for intangible assets for the next five years is as follows:

<u>Years ending March 31,</u>	<u>Yen in millions</u>	<u>U.S dollars in thousands</u>
2012	¥2,777	\$33,397
2013	2,632	31,654
2014	2,337	28,106
2015	1,933	23,247
2016	¥1,769	\$21,275

NIDEC has completed the annual impairment test for existing goodwill as required by ASC 350 as of January 1, 2011. For the years ended March 31, 2009, 2010 and 2011, NIDEC has determined that the fair value of each reporting unit which includes goodwill has been in excess of its carrying amount. Accordingly, for the years ended March 31, 2009, 2010 and 2011, no goodwill impairment loss has been recorded except for losses due to the discontinued operations described below.

Due to the discontinued OPU business, an impairment loss of ¥357 million of goodwill in "Nidec Sankyo" segment for the year ended March 31, 2009 and due to discontinued SME business, an impairment loss of ¥230 million of goodwill in "Nidec Tosok" segment for the year ended March 31, 2010 was recorded as "loss on discontinued operations" in the consolidated statement of income in accordance with ASC 205-20 "Presentation of Financial Statements-Discontinued Operations".

The carrying amounts of goodwill by operating reportable segment as of March 31, 2010 and 2011 are as follows. Reportable segment information is described in Note 25 (2).

	<u>Yen in millions</u>		<u>U.S dollars in thousands</u>
	<u>March 31,</u>		<u>March 31,</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>
Nidec Electronics (Thailand) .	¥72	¥69	\$830
Nidec Sankyo	27,459	27,459	330,235
Nidec Copal.....	17,148	17,148	206,230
Nidec Tosok	1,107	1,107	13,313
Nidec Copal Electronics.....	6,561	6,561	78,906
Nidec Techno Motor.....	3,147	2,628	31,606
Nidec Motor	-	11,404	137,150
Nidec Motors & Actuators	5,285	4,886	58,761
All Others.....	11,452	10,845	130,425
	<u>¥72,231</u>	<u>¥82,107</u>	<u>\$987,456</u>

From the second quarter of the year ended March 31, 2011, NIDEC changed its segment

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reporting because the number of its subsidiaries has been increased due to recent acquisitions such as the acquisition of Emerson Electric Co.'s motors and controls business on September 30, 2010. The Company's acquired subsidiaries have been grouped into each of those segments for internal management reporting to the chief operating decision maker and for external reporting. All prior period segment information has been reclassified in accordance with the current period presentation.

The changes in the carrying amount of goodwill for the year ended March 31, 2010 and 2011 are as follows:

	Yen in millions				Balance as of March 31, 2010
	Balance as of April 1, 2009	Acquisition	Impairment loss	Translation adjustments and Others	
Goodwill:					
Nidec Electronics (Thailand).....	¥-	¥69	¥-	¥3	¥72
Nidec Sankyo.....	27,816	-	-	-	27,816
Nidec Copal.....	17,099	49	-	-	17,148
Nidec Tosok.....	1,337	-	-	-	1,337
Nidec Copal Electronics.....	6,561	-	-	-	6,561
Nidec Techno Motor.....	2,059	1,115	-	(27)	3,147
Nidec Motor.....	-	-	-	-	-
Nidec Motors & Actuators.....	5,741	-	-	(456)	5,285
All Others.....	10,804	982	-	(334)	11,452
	<u>71,417</u>	<u>2,215</u>	<u>-</u>	<u>(814)</u>	<u>72,818</u>
Accumulated impairment losses :					
Nidec Sankyo.....	(357)	-	-	-	(357)
Nidec Tosok.....	-	-	(230)	-	(230)
	<u>(357)</u>	<u>-</u>	<u>(230)</u>	<u>-</u>	<u>(587)</u>
	<u>¥71,060</u>	<u>¥2,215</u>	<u>¥(230)</u>	<u>¥ (814)</u>	<u>¥72,231</u>

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Yen in millions					
	Balance as of April 1, 2010	Acquisition	Impairment loss	Translation adjustments and Others	Balance as of March 31, 2011
Goodwill:					
Nidec Electronics (Thailand).....	¥72	¥-	¥-	¥ (3)	¥69
Nidec Sankyo.....	27,816	-	-	-	27,816
Nidec Copal.....	17,148	-	-	-	17,148
Nidec Tosok.....	1,337	-	-	-	1,337
Nidec Copal Electronics.....	6,561	-	-	-	6,561
Nidec Techno Motor.....	3,147	-	-	(519)	2,628
Nidec Motor.....	-	11,511	-	(107)	11,404
Nidec Motors & Actuators.....	5,285	-	-	(399)	4,886
All Others.....	11,452	-	-	(607)	10,845
	72,818	11,511	-	(1,635)	82,694
Accumulated impairment losses:					
Nidec Sankyo.....	(357)	-	-	-	(357)
Nidec Tosok.....	(230)	-	-	-	(230)
	(587)	-	-	-	(587)
	¥72,231	¥11,511	¥-	¥ (1,635)	¥82,107

U.S dollars in thousands					
	Balance as of April 1, 2010	Acquisition	Impairment loss	Translation adjustments and Others	Balance as of March 31, 2011
	\$868,683	\$138,437	\$-	\$ (19,664)	\$987,456

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6. Supplemental cash flow information:

The supplemental information associated with the consolidated statements of cash flows for the years ended March 31, 2009, 2010 and 2011 are as follows:

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31,
	2009	2010	2011	2011
Cash paid during the fiscal year for:				
Income taxes	¥13,315	¥11,504	¥22,088	\$265,640
Interest	1,441	706	372	4,474
Non-cash investing and financing activities:				
Capital leasing receivables.....	663	-	-	-
Capital lease obligations	762	602	1,022	12,291
Conversion of convertible debt into common stock ...	606	-	-	-
Change in ownership of Nidec Servo in connection with share exchange transaction				
-Change in common stock	-	-	1,186	14,263
-Change in treasury stock	-	-	3,002	36,103

7. Allowance for doubtful accounts:

NIDEC estimates losses for uncollectible accounts based on historical experience and the evaluation of the likelihood of success in collecting specific customer receivables.

An analysis of activity within the allowance for doubtful accounts for the years ended March 31, 2009, 2010 and 2011 is as follows:

	Yen in millions			U.S. dollars in thousands
	2009	2010	2011	2011
Allowance for doubtful accounts at April 1.....	¥2,246	¥2,311	¥1,830	\$22,008
Provision for doubtful accounts, net of reversal	349	31	26	313
Write-offs.....	(273)	(492)	(912)	(10,968)
Translation adjustment and other.....	(11)	(20)	69	830
Allowance for doubtful accounts at March 31.....	¥2,311	¥1,830	¥1,013	\$12,183

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8. Inventories:

Inventories consist of the following:

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>In thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u> <u>2011</u>
Finished goods.....	¥28,323	¥39,477	\$474,768
Raw materials.....	19,428	23,303	280,253
Work in process	17,995	23,405	281,479
Project in progress.....	653	1,108	13,325
Supplies and other	3,104	3,084	37,090
	<u>¥69,503</u>	<u>¥90,377</u>	<u>\$1,086,915</u>

9. Other current assets:

Other current assets as of March 31, 2010 and 2011 consist of the following:

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u> <u>2011</u>
Deferred tax assets (Note 17)	¥5,651	¥6,963	\$83,740
Other receivable.....	4,825	6,676	80,289
Time deposit.....	3,891	2,745	33,013
Other.....	5,306	6,438	77,425
	<u>¥19,673</u>	<u>¥22,822</u>	<u>\$274,467</u>

“Other” primarily consists of taxes receivable and prepaid expenses.

10. Marketable securities and other securities investments:

Marketable securities and other securities investments include debt and equity securities of which the aggregate fair value, gross unrealized gains and losses and cost are as follows:

	<u>Yen in millions</u>			
	<u>March 31, 2010</u>			
	<u>Cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
Available-for-sale				
Equity securities.....	¥8,993	¥7,714	¥143	¥16,564
Held-to-maturity				
Japanese government debt securities	200	-	-	200
	<u>¥9,193</u>	<u>¥7,714</u>	<u>¥143</u>	<u>¥16,764</u>
Securities not practicable to fair value				
Equity securities.....	<u>¥698</u>			

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	Yen in millions			
	March 31, 2011			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale				
Equity securities	¥8,768	¥6,207	¥352	¥14,623
Held-to-maturity				
Japanese government debt securities	200	3	-	203
	<u>¥8,968</u>	<u>¥6,210</u>	<u>¥352</u>	<u>¥14,826</u>
Securities not practicable to fair value				
Equity securities	<u>¥515</u>			

	U.S. dollars in thousands			
	March 31, 2011			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale				
Equity securities	\$105,448	\$74,648	\$4,233	\$175,863
Held-to-maturity				
Japanese government debt securities	2,405	36	-	2,441
	<u>\$107,853</u>	<u>\$74,684</u>	<u>\$4,233</u>	<u>\$178,304</u>
Securities not practicable to fair value				
Equity securities	<u>\$6,194</u>			

During the years ended March 31, 2009, 2010 and 2011, the net unrealized gain on available-for-sale securities included as a component of accumulated other comprehensive income, net of applicable taxes, decreased by ¥1,433 million, increased by ¥2,164 million and decreased by ¥681 million (\$8,190 thousand), respectively.

Proceeds from sales of available-for-sale securities were ¥317 million, ¥94 million and ¥72 million (\$866 thousand) for the years ended March 31, 2009, 2010 and 2011, respectively. On those sales, gross realized gains were ¥241 million, ¥66 million and ¥12 million (\$144 thousand) and gross realized losses were ¥4 million, ¥0 million and ¥0 million (\$0 thousand), respectively.

NIDEC holds long-term investment securities that are classified as “marketable securities and other securities investments.” The securities issued by various non-public companies are recorded at cost, as their fair values are not readily determinable. NIDEC’s management employs a systematic methodology to assess the recoverability of such investments by reviewing the financial position of the underlying companies and the prevailing market conditions in which these companies operate to determine if NIDEC’s investment in each individual company is impaired and whether the impairment is other-than-temporary. If any impairment is determined to be other-than-temporary, the cost of the investment is written-down by the impaired amount and the amount is recognized currently as a realized loss.

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The following table presents the gross unrealized losses on, and fair value of, NIDEC's investment securities, aggregated by investment category and length of time that individual investment securities have been in a continuous unrealized loss position.

Yen in millions				
March 31, 2010				
Less than 12 months		12 months or more		
Fair value	Unrealized loss	Fair value	Unrealized loss	
Equity securities	¥359	¥30	¥349	¥113

Yen in millions				
March 31, 2011				
Less than 12 months		12 months or more		
Fair value	Unrealized loss	Fair value	Unrealized loss	
Equity securities	¥1,643	¥282	¥241	¥70

U.S. dollars in thousands				
March 31, 2011				
Less than 12 months		12 months or more		
Fair value	Unrealized loss	Fair value	Unrealized loss	
Equity securities	\$19,759	\$3,391	\$2,898	\$842

NIDEC presumes a decline in value of investment securities is impaired if the fair value is below the original cost. Among the impaired investment securities, NIDEC presumes a decline in value of equity securities is other-than-temporary if the fair value is 20% or more below the original cost for an extended period of time. The presumption of an other-than-temporary impairment may be overcome if there is evidence to support that the decline is temporary in nature due to the existence of other factors which overcome the duration or magnitude of the decline. On the other hand, even if a decline is less than 20%, there may be cases where impairment losses are recognized when specific factors indicate the decline in the fair value is other-than-temporary. As of March 31, 2011, NIDEC determined that the decline in value for equity securities with unrealized losses shown in the above table is temporary in nature.

For the years ended March 31, 2010 and 2011, held-to-maturity securities of ¥200 million and ¥200 million (\$2,405 thousand) were pledged as collateral for the deferred payments of certain taxes based on the Japanese Custom Act and Consumption Tax Law, respectively.

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11. Other non-current assets:

Other non-current assets as of March 31, 2010 and 2011 consist of the following:

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u>
			<u>2011</u>
Intangible assets *	¥11,136	¥24,292	\$292,147
Deferred tax assets	12,153	15,526	186,723
Other.....	3,005	2,848	34,251
	<u>¥26,294</u>	<u>¥42,666</u>	<u>\$513,121</u>

Notes:

* “Intangible assets” information is described in Note 5 “Goodwill and other intangible assets”

12. Short-term borrowings and long-term debt:

Short-term borrowings at March 31, 2010 and 2011 consist of the following:

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u>
			<u>2011</u>
Loans, principally from banks with average interest at March 31, 2010 and 2011 of 0.25% and 0.19% per annum, respectively	<u>¥115,467</u>	<u>¥52,018</u>	<u>\$625,592</u>

At March 31, 2011, NIDEC had unused lines of credit amounting to ¥147,633 million (\$1,775,502 thousand) with banks. Under these programs, NIDEC is authorized to obtain short-term financing at prevailing interest rates.

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Long-term debt at March 31, 2010 and 2011 is comprised of the following:

	Yen in millions		U.S. dollars
	March 31		in
	2010	2011	thousands
			March 31,
			2011
Unsecured loans, representing obligations principally to banks and an insurance company			
Due 2010 to 2026 in 2010 with interest ranging from 0.00% to 9.30% per annum in 2010			
Due 2011 to 2026 in 2011 with interest ranging from 0.00% to 6.40% per annum in 2011	¥640	¥305	\$3,668
Zero coupon convertible bonds due 2015			
Convertible at ¥10,626 for one common share, redeemable before due date (see notes below).....	-	100,447	1,208,022
Long-term capital lease obligations			
Due 2010 to 2016 in 2010, with interest from 0.19% to 12.43% per annum in 2010			
Due 2011 to 2017 in 2011, with interest from 0.18% to 12.43% per annum in 2011	2,602	2,191	26,350
	3,242	102,943	1,238,040
Less - Current portion due within one year	(1,497)	(1,124)	(13,518)
	<u>¥1,745</u>	<u>¥101,819</u>	<u>\$1,224,522</u>

Note:

Detail of Zero coupon convertible bonds, due 2015 is as follow;

	Yen in millions		U.S. dollars
	March 31, 2011		in thousands
			March 31, 2011
Principal amount	¥100,000		\$1,202,646
Unamortized premium	447		5,376
Total	<u>¥100,447</u>		<u>\$1,208,022</u>

The yen denominated Zero coupon convertible bonds with stock acquisition rights due 2015, which are listed at Singapore Stock Exchange, were issued on September 21, 2010, and are redeemable at 100% of face value on September 18, 2015 (maturity date). Concerning stock acquisition rights, the conversion price per share is ¥10,626 (\$128) and the number of convertible shares is 9,410,878 as of March 31, 2011. The bonds are included in the calculation of diluted earnings per share as their impact is dilutive.

The bonds are puttable by the holder if certain events occur such as exercising their option to require the NIDEC to redeem its bonds on September 20, 2013, upon occurrence of a corporate event including a merger event, asset transfer event, corporate split event or a delisting event.

The bonds are also callable by NIDEC if certain events occur such as the outstanding principal balance less than 10% of the aggregate principal amount on the issuance date, a change or an amendment in the tax laws or regulations of Japan which cannot be avoided by NIDEC, the corporate events or the delisting of the shares.

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NIDEC was not required to bifurcate any of the embedded features contained in the bonds for accounting purposes.

The aggregate amounts of annual maturity of long-term debt during the next five years are as follows:

	Yen in millions	U.S. dollars in thousands
	Year ending March 31	
2012.....	¥1,124	\$13,518
2013.....	622	7,480
2014.....	308	3,704
2015.....	150	1,804
2016.....	100,564	1,209,429
2017 and thereafter.....	¥175	\$2,105

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks. There was no collateral furnished pursuant to the standard agreements with banks as of March 31, 2011 and 2010.

13. Other current liabilities:

Other current liabilities as of March 31, 2010 and 2011 consist of the following:

	Yen in millions		U.S. dollars in thousands
	March 31		March 31,
	2010	2011	2011
Income taxes payable	8,479	8,117	97,619
Payable for property, plant and equipment.....	4,824	6,011	72,291
Other.....	4,400	4,767	57,330
	<u>¥17,703</u>	<u>¥18,895</u>	<u>\$227,240</u>

14. Pension and severance plans:

The Company and certain subsidiaries sponsor pension and retirement plans, which entitle employees, under most circumstances, to lump-sum indemnities or pension payments based on current rates of pay and length of service or the number of "points." Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement. Employees receive additional benefits upon involuntary retirement, including retirement at the mandatory retirement age.

During the fiscal year ended March 31, 2011, the Company and certain subsidiaries in Japan changed pension and severance plans as follows:

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- Shifting a portion of NIDEC's defined benefit plan to defined contribution plan in accordance with the Defined Contribution Pension Act in Japan.
- Modified the terms of the defined benefit plan.

According to the changes, gains and loss from curtailments and settlements and prior service credit were recognized in consolidated financial statements.

Information regarding NIDEC's employees' defined benefit plans is as follows:

Japanese plans:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Change in benefit obligation:			
Benefit obligation at beginning of year.....	¥19,276	¥18,951	\$227,913
Service cost.....	1,155	949	11,413
Interest cost.....	331	253	3,043
Actuarial loss.....	587	634	7,625
Plan amendment.....	(206)	(841)	(10,114)
Curtailments.....	-	(442)	(5,316)
Settlements.....	-	(2,844)	(34,203)
Benefits paid.....	(2,192)	(1,205)	(14,492)
	<u>18,951</u>	<u>15,455</u>	<u>185,869</u>
Change in plan assets:			
Fair value of plan assets at beginning of year.....	7,085	7,976	95,923
Actual return on plan assets.....	1,270	95	1,143
Employer contribution.....	1,008	2,741	32,965
Plan amendment.....	(68)	(109)	(1,311)
Settlements.....	-	(2,348)	(28,238)
Benefits paid.....	(1,319)	(656)	(7,890)
Fair value of plan assets at end of year.....	<u>7,976</u>	<u>7,699</u>	<u>92,592</u>
Funded status.....	<u>¥(10,975)</u>	<u>¥(7,756)</u>	<u>\$(93,277)</u>

Amounts included in the consolidated balance sheet are comprised of:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Accrued pension and severance costs.....	¥10,975	¥7,756	\$93,277
Net amounts recognized.....	<u>¥10,975</u>	<u>¥7,756</u>	<u>\$93,277</u>

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Amounts included in accumulated other comprehensive income (loss) as pension liability adjustments are comprised of:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Actuarial loss	¥(2,732)	¥(2,880)	\$(34,636)
Prior service credit	439	1,145	13,770
Pension liability adjustments, pre-tax	¥(2,293)	¥(1,735)	\$(20,866)

The accumulated benefit obligations for all defined benefit pension plans were ¥17,124 million and ¥14,808 million (\$178,088 thousand) for the years ended March 31, 2010 and 2011, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for which the accumulated benefit obligations exceed plan assets are as follows:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Projected benefit obligations.....	¥18,951	¥15,454	\$185,857
Accumulated benefit obligations	17,124	14,808	178,088
Fair value of plan assets.....	7,976	¥7,699	\$92,592

Weighted-average assumptions used to determine benefit obligations as of March 31, 2010 and 2011 are as follows:

	March 31	
	2010	2011
Discount rate.....	1.8%	1.6%
Rate of compensation increase.....	2.3%	2.2%

Weighted-average assumptions used to determine net pension and severance costs for the years ended March 31, 2009, 2010 and 2011 are as follows:

	For the year ended		
	March 31		
	2009	2010	2011
Discount rate.....	1.9%	1.8%	1.8%
Expected return on plan assets.....	1.9%	1.8%	2.3%
Rate of compensation increase.....	2.5%	2.4%	2.3%

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	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31
	2009	2010	2011	2011
Components of net periodic (benefit) cost:				
Service cost.....	¥1,163	¥1,155	¥949	\$11,413
Interest cost.....	335	331	253	3,043
Expected return on plan assets.....	(148)	(120)	(165)	(1,984)
Amortization of net actuarial loss.....	33	165	106	1,275
Amortization of prior service credit.....	(62)	(62)	(135)	(1,624)
Gains from curtailments and settlements.....	-	-	(249)	(2,995)
Net periodic pension cost.....	<u>¥1,321</u>	<u>¥1,469</u>	<u>¥759</u>	<u>\$9,128</u>

Prior service cost and actuarial gain and loss are amortized using the straight-line method over the average remaining service period of active employees. The estimated prior service credit and net actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into benefits cost for the year ending March 31, 2012 are ¥127million (\$1,527 thousand) and ¥147 million (\$1,768 thousand), respectively.

Foreign plans:

	Yen in millions		U.S. dollars in thousands
	March 31		March 31, 2011
	2010	2011	2011
Change in benefit obligation:			
Benefit obligation at beginning of year.....	¥3,724	¥5,002	\$60,156
Service cost.....	221	321	3,860
Interest cost.....	212	206	2,477
Actuarial loss (gain).....	515	(43)	(517)
Acquisition and other.....	633	789	9,490
Foreign currency exchange rate changes.....	(102)	(439)	(5,280)
Benefits paid.....	(201)	(175)	(2,104)
	<u>5,002</u>	<u>5,661</u>	<u>68,082</u>
Change in plan assets:			
Fair value of plan assets at beginning of year.....	231	435	5,232
Actual return on plan assets.....	13	57	686
Employer contribution.....	252	179	2,153
Foreign currency exchange rate changes.....	2	(30)	(361)
Benefits paid.....	(63)	(48)	(578)
Fair value of plan assets at end of year.....	<u>435</u>	<u>593</u>	<u>7,132</u>
Funded status.....	<u>¥(4,567)</u>	<u>¥(5,068)</u>	<u>\$(60,950)</u>

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Amounts included in the consolidated balance sheet are comprised of:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Accrued pension and severance costs	¥4,567	¥5,068	\$60,950
Net amounts recognized	¥4,567	¥5,068	\$60,950

Amounts included in accumulated other comprehensive income (loss) as pension liability adjustments are comprised of:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Actuarial gain.....	¥77	¥301	\$3,620
Pension liability adjustments, pre-tax	¥77	¥301	\$3,620

The accumulated benefit obligations for all defined benefit pension plans were ¥4,738 million and ¥5,441 million (\$65,436 thousand) for the years ended March 31, 2010 and 2011, respectively.

The projected benefit obligations, accumulated benefit obligations and fair value of plan assets for which the accumulated benefit obligations exceed plan assets are as follows:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Projected benefit obligations.....	¥5,002	¥5,661	\$68,082
Accumulated benefit obligations	4,738	5,441	65,436
Fair value of plan assets.....	435	¥593	\$7,132

Weighted-average assumptions used to determine benefit obligations as of March 31, 2010 and 2011 are as follows:

	March 31	
	2010	2011
Discount rate	4.8%	5.7%
Rate of compensation increase.....	2.5%	2.9%

Weighted-average assumptions used to determine net pension and severance costs for the years ended March 31, 2009, 2010 and 2011 are as follows:

	For the year ended		
	March 31		
	2009	2010	2011
Discount rate	5.9%	6.0%	4.8%
Expected return on plan assets.....	3.0%	2.3%	2.0%
Rate of compensation increase.....	2.5%	2.5%	2.5%

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	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31
	2009	2010	2011	2011
Components of net periodic (benefit) cost:				
Service cost.....	¥267	¥221	¥321	\$3,860
Interest cost.....	251	212	206	2,478
Expected return on plan assets.....	(9)	(16)	(90)	(1,082)
Amortization of net actuarial (gain) loss.....	(40)	(39)	5	60
Net periodic pension cost.....	¥469	¥378	¥442	\$5,316

Actuarial gain and losses are amortized using the straight-line method over the average remaining service period of active employees. The estimated net actuarial gain for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into benefits cost for the year ending March 31, 2012 is ¥3 million (\$36 thousand).

Japanese plans and foreign plans:

NIDEC's policy and objective for plan asset management is to generate a stable return on the investment over the long term, which enable NIDEC's pension funds to meet future benefit payment requirements under risks which NIDEC considers permissible. NIDEC formulates "basic" portfolio that suits the above-mentioned policy, and ensure that plan assets are allocated under this "basic" portfolio. NIDEC evaluates its actual return and revises the "basic" portfolio, if necessary.

NIDEC's portfolio for plans consists of three major components: approximately 11% is invested in equity securities, approximately 7% is invested in debt securities, and approximately 82% is invested in other investment vehicles, primarily consisting of investments in pooled funds and life insurance company general accounts.

The equity securities are selected from stocks that are listed on the securities exchanges. The debt securities are selected from Japanese and foreign government bonds, public debt instruments, and corporate bonds. Pooled funds included in other assets invest in equity and debt securities in mixture selected from same as above two categories. As for investments in life insurance company general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

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The three levels of input used to measure fair value are more fully described in Note 20. The fair values of NIDEC's pension plan assets at March 31, 2010 and 2011, by asset category, are as follows:

	Yen in millions			
	Fair Value at March 31, 2010	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Equity securities:				
Japanese companies.....	¥621	¥621	¥-	¥-
Foreign companies.....	445	445	-	-
Debt securities:				
Pooled funds *1	882	-	882	-
Other assets:				
Cash and cash equivalents.....	670	670	-	-
Life insurance company general accounts	2,571	-	2,571	-
Pooled funds *2	3,222	-	3,222	-
Total	¥8,411	¥1,736	¥6,675	¥-

*1 These funds invest in approximately 78% Japanese bonds, 22% foreign bonds.

*2 These funds primarily invest in listed equity securities consisting of approximately 36% Japanese companies and 20% foreign companies, and debt security consisting of approximately 27% Japanese bonds and 13% foreign bonds.

	Yen in millions			
	Fair Value at March 31, 2011	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Equity securities:				
Japanese companies.....	¥469	¥469	¥-	¥-
Foreign companies.....	409	409	-	-
Debt securities:				
Pooled funds *1	617	-	617	-
Other assets:				
Cash and cash equivalents.....	746	746	-	-
Life insurance company general accounts	2,767	-	2,767	-
Pooled funds *2	3,284	-	3,284	-
Total	¥8,292	¥1,624	¥6,668	¥-

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	U.S. dollars in thousands			
	Fair Value at March 31, 2011	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Equity securities:				
Japanese companies.....	\$5,640	\$5,640	\$-	\$-
Foreign companies.....	4,919	4,919	-	-
Debt securities:				
Pooled funds *1	7,420	-	7,420	-
Other assets:				
Cash and cash equivalents.....	8,972	8,972	-	-
Life insurance company general accounts.....	33,277	-	33,277	-
Pooled funds *2	39,495	-	39,495	-
Total	\$99,723	\$19,531	\$80,192	\$-

*1 These funds invest in approximately 80% Japanese bonds, 20% foreign bonds.

*2 These funds primarily invest in listed equity securities consisting of approximately 34% Japanese companies and 21% foreign companies, and debt security consisting of approximately 29% Japanese bonds and 12% foreign bonds.

Level 1 assets are comprised primarily of cash and cash equivalents and equity securities, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions. Level 2 assets are comprised primarily of pooled funds that invest in equity and debt securities, and investments in life insurance company general accounts. Pooled funds are valued at their net asset values that are calculated by the sponsor of the fund and have daily liquidity. The net asset value is based on the fair value of the underlying assets owned by the fund, minus its liabilities then divided by the number of units outstanding. Investments in life insurance company general accounts are valued at conversion value.

NIDEC expects to contribute approximately ¥929 million (\$11,173 thousand) to its defined benefit plans for the year ending March 31, 2012.

The future benefit payments for defined benefit plans are expected as follows:

	Yen in millions		U.S. dollars in thousands	
	Japanese plans	Foreign plans	Japanese plans	Foreign plans
2012.....	¥906	¥544	\$10,896	\$6,542
2013.....	978	481	11,762	5,785
2014.....	956	634	11,497	7,625
2015.....	894	319	10,752	3,836
2016.....	929	359	11,173	4,317
Years 2017-2021.....	¥4,375	¥2,178	\$52,616	\$26,194

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Certain subsidiaries have a number of multiemployer plans. Total amounts of cost recognized for certain subsidiaries' contributions to the plans were ¥239 million, ¥203 million and ¥206 million (\$2,477 thousand) for the years ended March 31, 2009, 2010 and 2011, respectively. NIDEC expects to contribute approximately ¥184 million (\$2,213 thousand) for the year ending March 31, 2012.

Certain subsidiaries have a number of defined contribution plans. Total amounts of cost recognized for certain subsidiaries' contribution to the plans were ¥358million, ¥340 million and ¥982 million (\$11,810 thousand) for the years ended March 31, 2009, 2010 and 2011, respectively. NIDEC expects to contribute approximately ¥1,501 million (\$18,052 thousand) for the year ending March 31, 2012.

15. Other long-term liabilities:

Other long-term liabilities as of March 31, 2010 and 2011 consist of the following:

	Yen in millions		U.S. dollars
	March 31		in thousands
	2010	2011	March 31, 2011
Deferred tax liabilities	¥3,426	¥3,430	\$41,251
Unrecognized tax benefits, accrued interest and penalty*	5,098	9,595	115,394
Other	3,184	3,196	38,436
	<u>¥11,708</u>	<u>¥16,221</u>	<u>\$195,081</u>

Notes:

* "Unrecognized tax benefits, accrued interest and penalty" information is described in Note 17 "Income taxes"

16. Equity:

The Japanese Company Law (the "Company Law") provides that an amount equal to 10% of cash dividends from retained earnings by the Company and its Japanese subsidiaries must be appropriated as a legal reserve. No further appropriations are required when the sum of the legal reserves reaches 25% of stated capital. These reserves currently exceed 25% of stated capital and are available for dividends under the Company Law subject to approval at the shareholders' meeting. Certain foreign subsidiaries are also required to appropriate their earnings to legal reserves under the laws of the respective countries.

The amount of statutory retained earnings of the Company available for dividend payments to shareholders was ¥98,247 million and ¥102,889 million (\$1,237,390 thousand) for the years ended March 31, 2010 and 2011, respectively. In accordance with customary practice in Japan, the appropriations are not accrued in the financial statements for the period to which they relate, but are recorded in the subsequent accounting period. Retained earnings for the year ended March 31, 2011 includes amounts representing final cash dividends of ¥6,232 million (\$74,949 thousand), ¥45

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(\$0.54) per share.

Repurchased treasury stock is not entitled to a dividend under the Company Law. NIDEC resolved to repurchase its own shares at several meetings of its Board of Directors during the year ended March 31, 2011. In accordance with the resolution, NIDEC repurchased 670,900 shares of treasury stock for the aggregate cost of ¥4,835 million (\$58,148 thousand). NIDEC owned 5,784,406 shares, or ¥24,067 million and 6,593,647 shares, or ¥32,285 million (\$388,274 thousand) of treasury stock repurchased for the years ended March 31, 2010 and 2011, which were restricted regarding the payment of cash dividend. On October 1, 2010, the Company made the Nidec Servo Corporation (“NSRV”) a wholly owned subsidiary by way of share exchange transaction. The Company allocated 721,534 shares of its common stock held in treasury, for the share exchange transaction. As a result of this share exchange transaction the Company's interests in NSRV increased from 64.9% to 100%.

Retained earnings relating to equity in undistributed earnings reflect ¥557 million, ¥197 million and ¥189 million (\$2,273 thousand) of accumulated deficit of the companies accounted for by the equity method for the years ended March 31, 2009, 2010 and 2011.

The Company purchased additional interests in major subsidiaries from each noncontrolling interest. These purchases of additional interests were primarily related to the Nidec Sankyo Corporation (“NSNK”) and the Nidec Copal Corporation (“NCPL”). As a result, these capital transactions primarily increased the Company's interests in NSNK and NCPL from 73.8% and 59.9% to 76.7% and 64.8%, respectively.

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Tax effects allocated to each component of other comprehensive income (loss) and reclassification adjustments, including amounts attributable to noncontrolling interests for the years ended March 31, 2009, 2010 and 2011 are as follows:

	Yen in millions		
	Pre-tax amount	Tax expense	Net-of-tax amount
For the year ended March 31, 2009:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during period	¥(16,749)	¥(193)	¥(16,942)
Unrealized gains (losses) from securities:			
Unrealized holding gains (losses) arising during period.....	(2,467)	1,012	(1,455)
Reclassification adjustments for gains and losses realized in net income.....	(1,380)	630	(750)
Pension liability adjustment:			
Actuarial (gains) losses arising during period	(2,271)	879	(1,392)
Reclassification adjustments for actuarial gains (losses) realized in net income	(7)	(14)	(21)
Reclassification adjustments for prior service credit realized in net income	(62)	25	(37)
Other comprehensive income (loss)	<u>¥(22,936)</u>	<u>¥2,339</u>	<u>¥(20,597)</u>
For the year ended March 31, 2010:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during period	¥(2,828)	¥(75)	¥(2,903)
Reclassification adjustments for gains and losses realized in net income.....	(218)	-	(218)
Unrealized gains (losses) from securities:			
Unrealized holding gains (losses) arising during period.....	4,563	(1,915)	2,648
Reclassification adjustments for gains and losses realized in net income.....	162	(65)	97
Pension liability adjustment:			
Actuarial (gains) losses arising during period	(107)	(175)	(282)
Prior service credit arising during period	138	(56)	82
Reclassification adjustments for actuarial gains (losses) realized in net income	99	(68)	31
Reclassification adjustments for prior service credit realized in net income	(62)	25	(37)
Other comprehensive income (loss)	<u>¥1,747</u>	<u>¥(2,329)</u>	<u>¥(582)</u>

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	Yen in millions		
	Pre-tax amount	Tax expense	Net-of-tax Amount
For the year ended March 31, 2011:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during period	¥(16,667)	¥67	¥(16,600)
Reclassification adjustments for gains and losses realized in net income	139	-	139
Unrealized gains (losses) from securities:			
Unrealized holding gains (losses) arising during period	(1,739)	714	(1,025)
Reclassification adjustments for gains and losses realized in net income	190	(72)	118
Unrealized gains (losses) from derivative instruments qualifying for cash flow hedges:			
Unrealized gains (losses) arising during period	546	(208)	338
Reclassification adjustments for gains and losses realized in net income	(192)	73	(119)
Pension liability adjustment:			
Actuarial (gains) losses arising during period	(657)	267	(390)
Prior service credit arising during period	841	(345)	496
Reclassification adjustments for actuarial gains (losses) realized in net income	688	(282)	406
Reclassification adjustments for prior service credit realized in net income	(135)	56	(79)
Other comprehensive income (loss)	<u>¥(16,986)</u>	<u>¥270</u>	<u>¥(16,716)</u>

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	U.S. dollars in thousands		
	Pre-tax amount	Tax expense	Net-of-tax Amount
For the year ended March 31, 2011:			
Foreign currency translation adjustments:			
Foreign currency translation adjustments arising during period	\$(200,445)	\$806	\$(199,639)
Reclassification adjustments for gains and losses realized in net income	1,672	-	1,672
Unrealized gains (losses) from securities:			
Unrealized holding gains (losses) arising during period	(20,914)	8,587	(12,327)
Reclassification adjustments for gains and losses realized in net income	2,285	(866)	1,419
Unrealized gains (losses) from derivative instruments qualifying for cash flow hedges:			
Unrealized gains (losses) arising during period	6,566	(2,502)	4,064
Reclassification adjustments for gains and losses realized in net income	(2,309)	879	(1,430)
Pension liability adjustment:			
Actuarial (gains) losses arising during period	(7,901)	3,211	(4,690)
Prior service credit arising during period	10,114	(4,149)	5,965
Reclassification adjustments for actuarial gains (losses) realized in net income	8,275	(3,391)	4,884
Reclassification adjustments for prior service credit realized in net income	(1,624)	673	(951)
Other comprehensive income (loss)	<u>\$(204,281)</u>	<u>\$3,248</u>	<u>\$(201,033)</u>

17. Income taxes:

The components of income from continuing operations before income tax comprise the following:

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31,
	2009	2010	2011	2011
Income from continuing operations before income taxes:				
The Company and domestic subsidiaries ...	¥20,396	¥16,666	¥20,146	\$242,285
Foreign subsidiaries	26,874	58,517	59,379	714,119
	<u>¥47,270</u>	<u>¥75,183</u>	<u>¥79,525</u>	<u>\$956,404</u>

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The provision for income taxes consists of the following:

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year Ended March 31, 2011
	2009	2010	2011	
Current income tax expense:				
The Company and domestic subsidiaries ...	¥5,960	¥9,227	¥14,276	\$171,690
Foreign subsidiaries.....	4,345	9,043	8,753	105,267
Total current.....	<u>10,305</u>	<u>18,270</u>	<u>23,029</u>	<u>276,957</u>
Deferred income tax expense (benefit):				
The Company and domestic subsidiaries ...	1,908	198	(3,861)	(46,434)
Foreign subsidiaries.....	262	(938)	(635)	(7,637)
Total deferred	<u>2,170</u>	<u>(740)</u>	<u>(4,496)</u>	<u>(54,071)</u>
Total provision.....	<u>¥12,475</u>	<u>¥17,530</u>	<u>¥18,533</u>	<u>\$222,886</u>

NIDEC is subject to a number of different income taxes, which, in the aggregate, indicate a statutory rate in Japan of approximately 41.0% in 2009, 2010 and 2011. Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

	For the year ended March 31		
	2009	2010	2011
Statutory tax rate	41.0%	41.0%	41.0%
Increase (reduction) in taxes resulting from:			
Tax benefit in foreign subsidiaries	(18.9)	(23.2)	(21.6)
Tax (benefit) on undistributed earnings	(1.1)	3.3	(0.1)
Valuation allowance	3.6	0.4	(1.7)
Liabilities for unrecognized tax benefits.....	(0.2)	3.4	5.5
Accumulated earnings tax of foreign subsidiaries	1.0	(0.1)	0.3
Other	1.0	(1.5)	(0.1)
Effective income tax rate	<u>26.4%</u>	<u>23.3%</u>	<u>23.3%</u>

The effective income tax rate for the year ended March 31, 2010 and 2011 was stable at 23.3%. The fluctuation of the components of effective tax rate was primarily due to an increase in liabilities for unrecognized tax benefits and tax benefit in foreign subsidiaries, which offset by decreases in tax (benefit) on undistributed earnings and valuation allowance.

Tax benefit in foreign subsidiaries primarily relates to income sourced from foreign subsidiaries mainly in Thailand and the Philippines.

In Thailand, NIDEC received privileges under the promotional certificates issued in May 2005, December 2006 and March 2010. Under these privileges, NIDEC received an exemption from corporate income tax for a period of five to eight years from the date of commencement of certain revenue-generating activities identified by the promotional certificate.

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In the Philippines, NIDEC received certain tax incentives in October 2003, which included an income tax holiday for four years. In September 2007 the income tax holiday was extended for two years. In September 2009 the income tax holiday was extended for one year. In September 2010 the income tax holiday was extended for one year. In April 2007 NIDEC received another income tax holiday of a new project for four years. This income tax holiday will be extended more for two years.

The aggregate dollar and per share effects of tax holidays are as follows:

	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31, 2011
	2009	2010	2011	
Aggregate amounts of tax holidays	¥4,879	¥6,979	¥6,839	\$82,249
	Yen			U.S. dollars
Per share --- basic	¥33.97	¥50.10	¥49.13	\$0.59
Diluted	¥33.46	¥50.10	¥47.44	\$0.57

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The significant components of deferred tax assets and liabilities are as follows:

	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u> <u>2011</u>
Deferred tax assets:			
Inventories.....	¥2,026	¥2,474	\$29,753
Property, plant and equipment.....	7,213	6,894	82,910
Accrued bonus.....	2,714	2,497	30,030
Accrued enterprise tax.....	233	252	3,031
Pension and severance plans.....	6,115	4,617	55,526
Operating loss carryforwards for tax purposes.....	4,436	5,000	60,132
Foreign tax credit.....	3,545	7,222	86,855
Accrued vacation.....	829	859	10,331
Accrued expenses.....	895	1,550	18,641
Other.....	1,639	1,485	17,860
Gross deferred tax assets.....	<u>29,645</u>	<u>32,850</u>	<u>395,069</u>
Less - Valuation allowance.....	(7,606)	(6,235)	(74,985)
Net deferred tax assets.....	<u>22,039</u>	<u>26,615</u>	<u>320,084</u>
Deferred tax liabilities:			
Basis difference of acquired assets.....	(2,966)	(2,672)	(32,135)
Undistributed earnings not permanently reinvested...	(2,830)	(2,428)	(29,200)
Marketable securities.....	(1,275)	(1,401)	(16,849)
Intangible assets.....	(608)	(1,207)	(14,516)
Other.....	(163)	(254)	(3,054)
Gross deferred tax liabilities.....	<u>(7,842)</u>	<u>(7,962)</u>	<u>(95,754)</u>
Net deferred tax assets.....	<u>¥14,197</u>	<u>¥18,653</u>	<u>\$224,330</u>

Operating loss carryforwards for tax purposes of consolidated subsidiaries on March 31, 2011 amounted to approximately ¥17,212 million (\$206,999 thousand) and are available as an offset against future taxable income of such subsidiaries.

With the exception of ¥4,739 million (\$56,993 thousand) with no expiration period, total available operating loss carryforwards expire at various dates primarily up to 7 years.

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The valuation allowance mainly relates to deferred tax assets of consolidated subsidiaries with operating loss carryforwards for tax purposes that are not expected to be realized. The net changes in the total valuation allowance for deferred tax assets for the years ended March 31, 2009, 2010 and 2011 consist of the following:

	Yen in millions			U.S. dollars in thousands
	March 31			March 31,
	2009	2010	2011	2011
Valuation allowance at beginning of year.	¥(6,455)	¥(7,026)	¥(7,606)	\$(91,473)
Additions	(1,719)	(1,693)	(1,535)	(18,461)
Deductions	1,178	1,113	2,906	34,949
Impact of acquisition of companies.....	(30)	-	-	-
Valuation allowance at end of year...	<u>¥(7,026)</u>	<u>¥(7,606)</u>	<u>¥(6,235)</u>	<u>\$(74,985)</u>

Net deferred tax assets are included in the consolidated balance sheets as follows:

	Yen in millions		U.S. dollars in thousands
	March 31		March 31,
	2010	2011	2011
Deferred tax assets:			
Other current assets	¥5,651	¥6,963	\$83,740
Other non-current assets	12,153	15,526	186,723
Deferred tax liabilities:			
Other current liabilities	(181)	(406)	(4,882)
Other long-term liabilities	<u>(3,426)</u>	<u>(3,430)</u>	<u>(41,251)</u>
Net deferred tax assets.....	<u>¥14,197</u>	<u>¥18,653</u>	<u>\$224,330</u>

Management of NIDEC intends to reinvest certain undistributed earnings of foreign subsidiaries for an indefinite period of time. As a result, no deferred tax liability has been recorded on undistributed earnings of these subsidiaries, which are not expected to be remitted in the foreseeable future, aggregating ¥137,231 million (\$1,650,403 thousand) as of March 31, 2011. NIDEC estimates an additional deferred tax liability of ¥11,726 million (\$141,022 thousand) would be required at such time if the full amount of these accumulated earnings were expected to be remitted.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Yen in millions			U.S. dollars in thousands
	March 31,			March 31,
	2009	2010	2011	2011
Balance at April 1	¥2,374	¥2,374	¥4,887	\$58,773
Additions for tax positions of the current year ...	-	2,944	4,312	51,858
Additions for tax positions of prior years	-	-	-	-
Reductions for tax positions of prior years	-	(431)	-	-
Lapse of the applicable statute of limitations.....	-	-	-	-
Settlements.....	-	-	-	-
Balance at March 31	<u>¥2,374</u>	<u>¥4,887</u>	<u>¥9,199</u>	<u>\$110,631</u>

Total amount of unrecognized tax benefits that would reduce the effective tax rate, if recognized, is ¥9,199 million (\$110,631 thousand).

Although NIDEC believes its estimates and assumptions of unrecognized tax benefits are reasonable, uncertainty regarding the final determination of tax audit settlements and any related litigation could affect the effective tax rate in the future periods. A significant change to the unrecognized tax benefits might occur within the next twelve months. NIDEC does not expect that such change will have a significant impact on consolidated results of operations and financial position.

NIDEC recognizes interest and penalties related to unrecognized tax benefits as a component of other, net in the consolidated statements of income. The interest and penalties for the fiscal year ended March 31, 2009, 2010 and 2011, respectively, had no material impact on its consolidated results of operations. The total gross accrued interest and penalty were ¥211 million and ¥396 million (\$4,762 thousand) at March 31, 2010 and 2011, respectively.

NIDEC remains subject to income tax examination for the tax returns related to the years beginning on and after January 1, 2004, with various tax jurisdictions including Japan.

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18. Reconciliation of the differences between basic and diluted earnings per share:

The tables below set forth a reconciliation of the differences between basic and diluted income attributable to Nidec Corporation per share for the years ended March 31, 2009, 2010 and 2011.

	<u>Yen in millions</u>	<u>Thousand s of shares</u>	<u>Yen</u>	<u>U.S. dollars</u>
	<u>Net income (loss) attributable to Nidec Corporation</u>	<u>Weighted- average shares</u>	<u>Net income (loss) attributable to Nidec Corporation per share</u>	<u>Net income (loss) attributable to Nidec Corporation per share</u>
For the year ended March 31, 2009:				
Basic net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	¥30,891	143,616	¥215.10	
Loss on discontinued operations attributable to Nidec Corporation	(2,538)	143,616	(17.68)	
Net income attributable to Nidec Corporation	28,353	143,616	<u>197.42</u>	
Effect of dilutive securities				
Zero coupon convertible bonds.....	(47)	2,200		
Diluted net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	30,844	145,816	211.53	
Loss on discontinued operations attributable to Nidec Corporation	(2,538)	145,816	(17.41)	
Net income attributable to Nidec Corporation	<u>¥28,306</u>	<u>145,816</u>	<u>¥194.12</u>	

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	<u>Yen in millions</u>	<u>Thousand s of shares</u>	<u>Yen</u>	<u>U.S. dollars</u>
	<u>Net income (loss) attributable to Nidec Corporation</u>	<u>Weighted- average shares</u>	<u>Net income (loss) attributable to Nidec Corporation per share</u>	<u>Net income (loss) attributable to Nidec Corporation per share</u>
For the year ended March 31, 2010:				
Basic net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	¥52,990	139,291	¥380.43	
Loss on discontinued operations attributable to Nidec Corporation	(1,029)	139,291	(7.39)	
Net income attributable to Nidec Corporation	51,961	139,291	<u>373.04</u>	
Diluted net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	52,990	139,291	380.43	
Loss on discontinued operations attributable to Nidec Corporation	(1,029)	139,291	(7.39)	
Net income attributable to Nidec Corporation	<u>¥51,961</u>	<u>139,291</u>	<u>¥373.04</u>	
For the year ended March 31, 2011:				
Basic net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	¥54,564	139,216	¥391.94	\$4.71
Loss on discontinued operations attributable to Nidec Corporation	(2,231)	139,216	(16.03)	(0.19)
Net income attributable to Nidec Corporation	52,333	139,216	<u>375.91</u>	<u>4.52</u>
Effect of dilutive securities				
Zero coupon convertible bonds	(29)	4,950		
Diluted net income attributable to Nidec Corporation per share				
Income from continuing operations attributable to Nidec Corporation	54,535	144,166	378.27	4.55
Loss on discontinued operations attributable to Nidec Corporation	(2,231)	144,166	(15.47)	(0.19)
Net income attributable to Nidec Corporation	<u>¥52,304</u>	<u>144,166</u>	<u>¥362.80</u>	<u>\$4.36</u>

NIDEC has no dilutive securities outstanding for the year ended March 31, 2010, and therefore there is no difference between basic and diluted income attributable to Nidec Corporation per share.

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19. Derivatives:

NIDEC manages the exposures to fluctuations in interest rate, foreign exchange rate, and commodity prices movements through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate currency swap and commodities agreements. NIDEC does not hold derivative financial instruments for trading purpose. NIDEC is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered mitigated by the high credit rating of the counterparties.

Cash flow hedges

NIDEC uses foreign exchange forward contracts and commodities agreements designated as cash flow hedges to protect against foreign exchange rate risks and commodity prices risks inherent in its forecasted transactions related to purchase commitments.

Derivatives not designated as hedges

NIDEC uses derivatives such as foreign exchange forward contracts and interest rate currency swaps to protect against foreign exchange rate risks and interest rate risks. NIDEC is unable or has elected not to apply hedge accounting to some of these derivatives. The changes in the fair value of these contracts are recorded in 'Other income (expense)'.

The Contractual Amounts Outstanding of Derivative Instruments

Derivatives designated as hedging instruments under ASC 815 are as follows:

	Yen in millions		U.S. dollars
	March 31, 2010	March 31, 2011	in thousands
			March 31, 2011
Foreign exchange forward contracts	¥-	¥2,930	\$35,238
Commodity futures	-	1,964	23,620

Derivatives not designated as hedging instruments under ASC 815 are as follows:

	Yen in millions		U.S. dollars
	March 31, 2010	March 31, 2011	in thousands
			March 31, 2011
Foreign exchange forward contracts	¥123	¥-	\$-
Interest rate currency swap agreements ...	48	24	289

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Fair Values of Derivative Instruments

Derivatives designated as cash flow hedge under ASC 815 are as follows:

<u>Balance sheet location</u>	<u>Asset Derivatives</u>		
	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31,</u>	<u>March 31,</u>	<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u>
			<u>2011</u>
Foreign exchange forward contracts..... Other current assets	¥-	¥477	\$5,737
Commodity futures Other current assets	-	179	2,153

Derivatives not designated as hedging instruments under ASC 815 are as follows:

<u>Balance sheet location</u>	<u>Liability Derivatives</u>		
	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31,</u>	<u>March 31,</u>	<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u>
			<u>2011</u>
Foreign exchange forward contracts..... Other current liabilities	¥2	¥-	\$-
Interest rate currency swap agreements Other current liabilities	0	2	24

The Effect of Derivative Instruments on the Consolidated Statements of Income for the year ended March 31

Derivatives designated as cash flow hedge under ASC 815 are as follows:

Gains (losses) recognized in accumulated other comprehensive income

	<u>Yen in millions</u>			<u>U.S. dollars</u>
	<u>For the year ended March 31</u>			<u>in thousands</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Foreign exchange forward contracts.....	¥-	¥-	¥152	\$1,828
Commodity futures	-	-	67	806

Gains (losses) reclassified from accumulated other comprehensive income into income (effective portion)

<u>Statement of income location</u>	<u>Yen in millions</u>			<u>U.S. dollars</u>
	<u>For the year ended March 31</u>			<u>in thousands</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Foreign exchange forward contracts..... Cost of sales	¥-	¥-	¥55	\$661
Commodity futures Cost of sales	-	-	64	770

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The amount of hedge ineffectiveness and net gains (losses) excluded from the assessment of hedge effectiveness was not material for the year ended March 31, 2011.

A net gain of ¥211million (\$2,538thousand) in accumulated other comprehensive income at March 31, 2011 is expected to be reclassified into earnings within the next 12 months.

As of March 31, 2011, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecasted transactions was approximately 14 months.

Derivatives not designated as hedging instruments under ASC 815 are as follows:

Gains (losses) recognized in income

	<u>Statement of income location</u>	<u>Yen in millions</u>			<u>U.S. dollars in thousands</u>
		<u>For the year ended March 31</u>			
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Foreign exchange forward contracts.....	Other, net	¥(7)	¥0	¥2	\$24
Interest rate swap agreements	Other, net	7	-	-	-
Interest rate currency swap agreements.....	Other, net	12	2	(1)	(12)

20. Fair Value:

Under Statement of ASC 820, “Fair Value Measurements and Disclosures”, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that reflect the assumptions market participants would use in valuing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect NIDEC’s assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The hierarchy is broken down into three levels.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs (other than quoted prices) that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 inputs are unobservable inputs for the asset or liability.

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Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Assets and Liabilities that are measured at Fair Value on a Recurring Basis:

The following table provides information by level for assets and liabilities that are measured at fair value, as defined by ASC 820, on a recurring basis.

	Yen in millions			
	Fair Value at March 31, 2010	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Assets:				
Marketable securities	¥16,564	¥16,564	-	-
Liabilities:				
Derivatives	¥2	-	¥2	-

	Yen in millions			
	Fair Value at March 31, 2011	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Assets:				
Marketable securities	¥14,623	¥14,623	-	-
Derivatives	¥654	¥179	¥475	-
Total assets:	¥15,277	¥14,802	¥475	-

	U.S. dollars in thousands			
	Fair Value at March 31, 2011	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Assets:				
Marketable securities	\$175,863	\$175,863	-	-
Derivatives	\$7,865	\$2,153	\$5,712	-
Total assets:	\$183,728	\$178,016	\$5,712	-

Level 1 marketable equity securities and derivatives including commodity futures are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 derivatives including foreign exchange contracts are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates, and interest rates.

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Fair value of financial instruments:

The estimated fair values of NIDEC's financial instruments are summarized as follows:

	Yen in millions		Yen in millions		U.S. dollars in thousands	
	March 31, 2010		March 31, 2011		March 31, 2011	
	Carrying amount	Estimated fair value	Carrying amount	Estimated Fair value	Carrying amount	Estimated fair value
Asset (Liability)						
Cash and cash equivalents....	¥123,309	¥123,309	¥94,321	¥94,321	\$1,134,348	\$1,134,348
Short-term investments	3,891	3,891	2,745	2,745	33,013	33,013
Short-term loan receivable ...	158	158	141	141	1,696	1,696
Long-term loan receivable ...	358	363	241	243	2,898	2,922
Short-term borrowings	(115,467)	(115,467)	(52,018)	(52,018)	(625,592)	(625,592)
Long-term debt including the current portion and excluding capital lease obligation	¥(641)	¥(579)	¥(100,751)	¥(104,891)	\$(1,211,678)	\$(1,261,468)

The following are explanatory notes relating to the financial instruments.

Cash and cash equivalents, short-term investments (time deposits), short-term loans receivable and short-term borrowings: In the normal course of business, substantially all cash and cash equivalents, short-term loans receivable and short-term borrowing are highly liquid and are carried at amounts that approximate fair value.

Long-term loan receivable: The fair value of long-term loans was estimated by discounting expected future cash flows.

Long-term debt: The fair value of bonds issued by NIDEC was estimated based on their market price which was influenced by, and corresponded to stock price. The fair value of long-term bank loans (including the current portion and excluding the capital lease obligation) was estimated based on the discounted amounts of future cash flows using NIDEC's current incremental borrowing rates for similar liabilities.

21. Related party transactions:

As of March 31, 2011, the Chief Executive Officer ("CEO") of the Company, a business entity discussed below indirectly owned by the CEO, and the CEO's immediate family member held 8.6%, 3.9% and 1.8% of the outstanding shares of the Company, respectively.

In October 2010, the Company entered into a share exchange transaction ("the Share Exchange") with NSRV to make NSRV a wholly owned subsidiary of the Company. The Company allocated 721,534 shares of the Company's common stock held in treasury into the Share Exchange. The CEO was allocated 74,100 shares of the Company's common stock, because he had owned shares of NSRV. The share exchange transaction with the CEO was at arm's-length. The related party transaction did not have a material impact on NIDEC's consolidated financial position, results

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of operations and liquidity.

Loan to S.N.Kohsan-

In December 2008, the Company advanced a loan of ¥14,500 million to S.N. Kohsan, a company indirectly owned by the CEO. The loan was guaranteed by the CEO and collateralized by a pledge of 4,500,000 of the CEO's shares in NIDEC. The loan had a term of 5 years and accrued interest quarterly at an annual rate of 2.4%. The loan was repaid in full on February 17, 2009 after the Company and the CEO determined that the loan was not permitted under Section 402 of the U.S. Sarbanes-Oxley Act of 2002. The loan receivable and its subsequent repayment were recorded in the balance sheet in equity and are presented as a financing activity in the Cash Flow Statement.

S.N. Kohsan obtained the funds to repay the loan through the sale of a total of 3,356,000 of its shares in NIDEC through the J-NET and on the Osaka Securities Exchange. Of these shares, 2,917,800 were purchased by the Company through the J-NET for a total of ¥12,867 million.

A special committee of the Company's Board of Corporate Auditors conducted an independent investigation of this matter with the assistance of independent counsel and concluded that the failure to comply with Section 402 was inadvertent. We voluntarily brought this matter to the attention of the U.S. Securities and Exchange Commission (the "SEC"). The Division of Enforcement of the SEC advised that it was conducting an informal inquiry into the issue, and we cooperated fully with the informal inquiry. We have subsequently been advised by the Staff of the Division of Enforcement that its investigation has been concluded and that the Staff will not recommend that enforcement proceedings be commenced.

During the period the loan was outstanding, S.N. Kohsan qualified as a variable interest entity. NIDEC was not the primary beneficiary.

22. Lease commitments:

NIDEC leases certain assets under capital lease and operating lease arrangements. An analysis of leased assets under capital leases is as follows:

<i>Class of property</i>	<u>Yen in millions</u>		<u>U.S. dollars</u>
	<u>March 31</u>		<u>in thousands</u>
	<u>2010</u>	<u>2011</u>	<u>March 31,</u> <u>2011</u>
Machinery and equipment	¥6,182	¥5,173	\$62,213
Other leased assets.....	447	195	2,345
Less - Accumulated amortization	(5,022)	(3,792)	(45,604)
	<u>¥1,607</u>	<u>¥1,576</u>	<u>\$18,954</u>

Amortization expenses under capital leases for the years ended March 31, 2009, 2010 and 2011 were ¥1,553 million, ¥1,005 million and ¥1,039 million (\$12,495 thousand), respectively.

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The future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of March 31, 2011 are as follows:

	<u>Yen in millions</u>	<u>U.S. dollars in thousands</u>
<u>Year ending March 31:</u>		
2012	¥1,137	\$13,674
2013	611	7,348
2014	282	3,392
2015	121	1,455
2016	86	1,034
2017 and thereafter.....	17	205
Total minimum lease payments	2,254	27,108
Less – Amount representing interest.....	(63)	(758)
Present value of net minimum lease payments	2,191	26,350
Less – Current obligations.....	(1,101)	(13,241)
Long-term capital lease obligations.....	<u>¥1,090</u>	<u>\$13,109</u>

Rental expenses under operating leases for the years ended March 31, 2009, 2010 and 2011 were ¥1,351 million, ¥1,674 million and ¥1,472 million (\$17,703 thousand), respectively.

The minimum rental payments required under operating leases relating primarily to land, buildings and equipment having initial or remaining non-cancelable lease terms in excess of one year at March 31, 2011 are as follows:

	<u>Yen in millions</u>	<u>U.S. dollars in thousands</u>
<u>Year ending March 31:</u>		
2012	¥1,276	\$15,346
2013	948	11,401
2014	592	7,120
2015	280	3,367
2016	185	2,225
2017 and thereafter	963	11,581
Total minimum future rentals.....	<u>¥4,244</u>	<u>\$51,040</u>

NIDEC is a lessor in direct financing leases and operating leases for which a portion of the land, office and manufacturing facilities is subleased over various terms. The direct financing leases did not have a material impact on our consolidated financial position or results of operations.

Rental revenues under operating leases for the years ended March 31, 2009, 2010 and 2011 were ¥168 million, ¥317 million and ¥376 million (\$4,522 thousand), respectively.

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The future minimum lease payments to be received under operating leases that have remaining non-cancelable terms at March 31, 2011 are as follows:

	<u>Yen in millions</u>	<u>U.S. dollars in thousands</u>
Year ending March 31:		
2012	¥371	\$4,462
2013	344	4,137
2014	116	1,395
2015	-	-
2016	-	-
2017 and thereafter	-	-
Total minimum future rentals	<u>¥831</u>	<u>\$9,994</u>

23. Other commitments and contingencies, concentrations and factors that may affect future operations:

Commitments -

Commitments outstanding at March 31, 2011 for the purchase of property, plant and equipment and other assets approximated ¥315 million (\$3,788 thousand).

Contingencies -

NIDEC has guaranteed approximately ¥111 million (\$1,335 thousand) of bank loans for employees in connection with their housing costs at March 31, 2011. If an employee defaults on his/her loan payments, NIDEC would be liable under the guarantee. The maximum undiscounted amount of NIDEC's obligation to make future payments in the event of defaults is approximately ¥111 million (\$1,335 thousand). The current carrying amount of the liabilities for NIDEC's obligations under the guarantee is zero.

Concentration of risk -

NIDEC is dependent on a number of large customers for a substantial portion of NIDEC's net sales. Sales to NIDEC's six largest customers represented approximately 36%, 41% and 36% of consolidated net sales for the years ended March 31, 2009, 2010 and 2011, respectively. Sales to NIDEC's largest customer were approximately 10%, 11% and 9% of consolidated net sales for the years ended March 31, 2009, 2010 and 2011, respectively. Accounts receivable are financial instruments that expose NIDEC to a concentration of credit risk. At March 31, 2010, the six largest customers with outstanding accounts receivable balances totaled ¥61,629 million, or 41% of the gross accounts receivable, compared to ¥50,927 million (\$612,471 thousand), or 33% of the gross accounts receivable, at March 31, 2011. If any one or group of these customer's receivable balances should be deemed uncollectable, it would have a materially adverse effect on NIDEC's results of operations and financial condition.

Product warranty -

NIDEC guarantees the performance of products delivered and services rendered for a certain period or term. Estimates for warranty cost are made based on historical warranty claim experience. The changes in product warranty liability for the years ended March 31, 2010 and 2011 are summarized as follows:

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	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>March 31</u>		<u>March 31,</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>
Balance at beginning of year	¥112	¥85	\$1,022
Addition	122	928	11,161
Utilization	(149)	(61)	(734)
Foreign exchange impact	-	7	84
Balance at end of year	<u>¥85</u>	<u>¥959</u>	<u>\$11,533</u>

The addition amounts largely increased by ¥806 million from ¥122 million for the year ended March 31, 2010 to ¥928 million for the year ended March 31, 2011. This was mainly due to Nidec Motor Corporation which was the newly consolidated subsidiaries for the year ended March 31, 2011.

24. Discontinued Operations

As of December 31, 2008, NIDEC discontinued its optical pickup unit ("OPU") business. The results of the OPU business were previously recorded in the "Nidec Sankyo" reportable segment. NIDEC discontinued the OPU business by winding down operations in an effort to concentrate management resources and focus capital and R&D expenditures on other growing businesses. Total exit costs were ¥3,972 million (net of tax ¥2,564 million), which includes an impairment loss of ¥357 million of goodwill, loss on disposal of fixed assets and inventories, and other closing costs.

As of September 30, 2009, NIDEC discontinued the semiconductor manufacturing equipment ("SME") business included within the "Nidec Tosok" reportable segment, in order to improve profitability by prioritizing NIDEC's investment of management resources to the development and production of new products in the automobile parts and measuring equipment businesses, areas with more potential for growth than the SME business. Total exit costs were ¥1,835 million (net of tax ¥1,174 million), which includes an impairment loss of ¥230 million of goodwill, loss on disposal of inventories and fixed assets, and other closing costs.

As of March 31, 2011, NIDEC discontinued the specialty lens unit ("SLU") business included within the "Nidec Copal" reportable segment, in order to improve profitability by prioritizing NIDEC's investment of management resources to the development and production of new products, areas with more potential for growth than the SLU business. The SLU business had been established during the year ended March 31, 2010. Total exit costs were ¥3,522 million (net of tax ¥2,410 million), which includes loss on disposal of inventories and fixed assets.

The operating results of the OPU, SME and SLU business and exit costs with related taxes were recorded as "net loss on discontinued operations" in the consolidated statement of income in accordance with ASC 205-20 "Presentation of Financial Statements-Discontinued Operations". All prior period information has been reclassified to be consistent with the current period presentation.

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Operating results of discontinued operations for the year ended March 31, 2009, 2010 and 2011 were as follows:

	Yen in millions		
	For the year ended		
	March 31, 2009		
	OPU business	SME business	Total
Net sales	¥7,681	¥2,655	¥10,336
Loss on discontinued operations before income taxes	¥(4,977)	¥(241)	¥(5,218)
Income taxes	1,695	11	1,706
Loss on discontinued operations	¥(3,282)	¥(230)	¥(3,512)

	Yen in millions		
	For the year ended		
	March 31, 2010		
	SME business	SLU business	Total
Net sales	¥604	¥1,430	¥2,034
Loss on discontinued operations before income taxes	¥(2,047)	¥(181)	¥(2,228)
Income taxes	760	11	771
Loss on discontinued operations	¥(1,287)	¥(170)	¥(1,457)

	Yen in millions	U.S. dollar in thousands
	For the year ended	
	March 31, 2011	
	SLU business	SLU business
Net sales	¥5,120	\$61,575
Loss on discontinued operations before income taxes	¥(4,571)	\$(54,973)
Income taxes	1,065	12,808
Loss on discontinued operations	¥(3,506)	\$(42,165)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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25. Segment information:

In accordance with ASC 205-20, “Presentation of Financial Statements-Discontinued Operations”, amounts in the segment information do not reflect discontinued operations, and previous fiscal year’s segment information has been reclassified.

(1) Enterprise-wide information:

Product information –

The following table provides product information for the years ended March 31, 2009, 2010 and 2011:

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net sales:				
Small precision motors:				
Hard disk drives spindle motors.....	¥181,255	¥203,845	¥196,265	\$2,360,373
Other small precision brushless DC motors	73,187	75,641	72,541	872,411
Brushless DC fans.....	37,345	32,651	33,801	406,506
Other small precision motors	22,286	18,023	18,883	227,096
Sub-total.....	314,073	330,160	321,490	3,866,386
General motors	77,156	73,381	137,251	1,650,643
Machinery	69,435	47,966	77,329	929,994
Electronic and optical components	122,552	105,743	117,843	1,417,234
Others	27,587	28,779	34,617	416,320
Consolidated total	<u>¥610,803</u>	<u>¥586,029</u>	<u>¥688,530</u>	<u>\$8,280,577</u>

The “Hard disk drives spindle motors” group of products consists of hard disk drives spindle motors for 3.5-inch, 2.5-inch, and 1.8-inch hard disk drives.

The “Other small precision brushless DC motors” group of products consists of brushless motors for many types of products, including optical disk drives, copiers, printers and fax machines.

The “Brushless DC fans” group of products consists of brushless fans, which are used in many types of products, including computers and game machines for the purpose of lowering the temperature of central processing units in these products.

The “Other small precision motors” group of products consists of vibration motors for mobile phones, brush DC motors for many types of products, and stepping motors.

The “General motors” group of products consists of motors which are used in automobiles, various electric household appliances and industrial equipment. The product category has been

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changed from “Mid-size motors” to “General motors” due to the addition of Large-size motors for industrial use, resulting from the acquisition of Emerson Electric Co.’s motors and controls business on September 30, 2010.

The “Machinery” group of products consists of test systems, measuring equipment, power transmission equipment, factory automation systems, card readers and industrial robots.

The “Electronic and optical components” group of products consists of camera shutters, camera lens units, switches, trimmer potentiometers, motor driven actuator units, processing and precision plastic mold products.

“Others” consists of auto parts, pivot assemblies, other components and other services.

Geographic information –

Revenues from external customers, which are attributed to countries based on the location of the parent company or the subsidiaries that transacted with the external customer for the years ended March 31, 2009, 2010 and 2011, and long-lived assets for the years ended March 31, 2010 and 2011 are as follows:

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net sales:				
Japan.....	¥304,317	¥256,817	¥304,897	\$3,666,831
U.S.A.	12,864	11,352	46,579	560,180
Singapore	37,811	33,673	28,015	336,921
Thailand	93,306	102,261	99,932	1,201,828
The Philippines	12,394	14,884	10,657	128,166
China	106,928	126,470	142,285	1,711,185
Other.....	43,183	40,572	56,165	675,466
Consolidated total.....	<u>¥610,803</u>	<u>¥586,029</u>	<u>¥688,530</u>	<u>\$8,280,577</u>

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>		<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>
Long-lived assets:			
Japan.....	¥84,935	¥84,916	\$1,021,239
U.S.A.	1,326	17,897	215,237
Singapore	1,505	1,374	16,524
Thailand	37,351	39,810	478,773
The Philippines	11,826	11,779	141,660
China	37,329	43,342	521,251
Other.....	27,035	35,291	424,426
Consolidated total.....	<u>¥201,307</u>	<u>¥234,409</u>	<u>\$2,819,110</u>

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(2) Operating segment information:

The operating segments reported below are defined as components of an enterprise for which separate financial information is available and regularly reviewed by NIDEC's chief operating decision maker. NIDEC's chief operating decision maker utilizes various measurements to assess segment performance and allocate resources to segments.

Beginning in the quarterly reporting period ended September 30, 2010, NIDEC changed its segment reporting so that it is in line with the changes NIDEC recently made in its management decision-making process. The Company's acquired subsidiaries have been grouped into each of these segments for both internal management reporting to the chief operating decision maker and for external reporting, because the number of its subsidiaries has been increasing due to recent acquisitions such as the acquisition of Emerson Electric Co.'s motors and controls business on September 30, 2010. All prior period segment information has been reclassified in accordance with the current period presentation to enable comparisons between the relevant amounts for the fiscal years ended March 31, 2009, 2010 and 2011. NIDEC has also changed its abbreviations for the reporting segments, as described below.

Nidec acquired Emerson Electric Co.'s motors and controls business ("Nidec Motor") on September 30, 2010. The acquired business has been identified as a reportable operating segment (the "Nidec Motor" segment) since the quarterly reporting period ended December 31, 2010.

The Nidec Corporation (formerly NCJ) segment comprises Nidec Corporation in Japan, which primarily produces and sells hard disk drives spindle motors, DC motors, fans, and general motors for automobiles.

The Nidec Electronics (Thailand) (formerly NET) segment comprises Nidec Electronics (Thailand) Co., Ltd., a subsidiary in Thailand, and its consolidated subsidiaries, which primarily produce and sell hard disk drive motors.

The Nidec (Zhejiang) (formerly NCC) segment comprises Nidec (Zhejiang) Corporation, a subsidiary in China, which primarily produces and sells hard disk drive motors.

The Nidec (Dalian) (formerly NCD) segment comprises Nidec (Dalian) Limited, a subsidiary in China, which primarily produces and sells DC motors and fans but excludes its general motors business for automobiles.

The Nidec Singapore (formerly NCS) segment comprises Nidec Singapore Pte. Ltd., a subsidiary in Singapore, and its consolidated subsidiary, which primarily sell hard disk drive motors, DC motors, fans, and pivot assemblies.

The Nidec (H.K.) (formerly NCH) segment comprises Nidec (H.K.) Co., Ltd., a subsidiary in Hong Kong, which primarily sells hard disk drive motors, DC motors and fans.

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The Nidec Philippines (formerly NCF) segment comprises Nidec Philippines Corporation, a subsidiary in the Philippines, and its consolidated subsidiary, which primarily produces and sells hard disk drive motors.

The Nidec Sankyo (formerly NSNK) segment comprises Nidec Sankyo Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell DC motors, machinery, and electronic parts.

The Nidec Copal (formerly NCPL) segment comprises Nidec Copal Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell optical and electronic parts and machinery.

The Nidec Tosok (formerly NTSC) segment comprises Nidec Tosok Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell automotive parts and machinery.

The Nidec Copal Electronics (formerly NCEL) segment comprises Nidec Copal Electronics Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell electronic parts.

The Nidec Techno Motor (formerly NTMC) segment comprises Nidec Techno Motor Holdings Corporation, a subsidiary in Japan, and its consolidated subsidiaries, which primarily produce and sell general motors for home appliances and industrial use.

The Nidec Motor (formerly NMC) segment comprises Nidec Motor Holdings Corporation, a subsidiary in Japan, other subsidiaries in North America, Latin America, Asia and Europe, which primarily produce and sell general motors for home appliances and industrial use.

The Nidec Motors & Actuators (formerly NMA) segment comprises Nidec Motors & Actuators in France, other subsidiaries in Europe and North America, and other manufacturing subsidiaries in China, which primarily produce and sell general motors for automobiles.

All Others segment comprises subsidiaries that are operating segments but not designated as reportable segments due to their immateriality.

Nidec Servo Corporation, (formerly NSRV) was not identified as reportable segments in the period ended September 30, 2010, due to its immateriality. The amounts have been reclassified to the All Others segment for all periods presented.

NIDEC evaluates performance based on segmental profit and loss, which consists of sales and operating revenues less operating expenses. All segmental operating income or loss are accounted for under Japanese GAAP, except for Nidec Electronics (Thailand), Nidec (Zhejiang), Nidec (Dalian), Nidec Singapore, Nidec (H.K.), Nidec Philippines, Nidec Motor and Nidec Motors & Actuators. Therefore segmental data has not been prepared under U.S. GAAP on a basis that is consistent with the consolidated financial statements or on any other single basis that is consistent

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between segments. There are several differences between U.S. GAAP and the underlying accounting bases used by management, the principal differences that affect segmental operating income or loss are accounting for pension and severance costs, and leases. Our segmental operating income or loss is presented in accordance with financial reporting principles and practices generally accepted in Japan. Management believes that the monthly segmental information is available on a timely basis, and that it is sufficiently accurate at the segment income or loss level for management's purposes.

The following tables show net sales to external customers and other financial information by operating segment for the years ended March 31, 2009, 2010 and 2011:

	<u>Yen in millions</u>			<u>U.S. dollars in thousands</u>
	<u>For the year ended March 31</u>			<u>For the year ended March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net sales to external customers:				
Nidec Corporation.....	¥62,260	¥67,285	¥72,334	\$869,922
Nidec Electronics (Thailand)	80,247	87,792	81,731	982,935
Nidec (Zhejiang)	18,305	22,948	24,500	294,648
Nidec (Dalian).....	7,725	6,976	4,218	50,728
Nidec Singapore.....	27,117	26,157	19,082	229,489
Nidec (H.K.).....	37,761	50,066	54,731	658,220
Nidec Philippines	7,517	10,891	7,337	88,238
Nidec Sankyo	92,186	75,807	91,586	1,101,455
Nidec Copal	69,451	61,275	65,379	786,278
Nidec Tosok	20,188	23,345	29,745	357,727
Nidec Copal Electronics.....	28,429	24,954	30,553	367,444
Nidec Techno Motor	41,341	38,062	58,363	701,900
Nidec Motor	-	-	35,458	426,434
Nidec Motors & Actuators	34,348	32,186	38,371	461,467
All Others.....	79,781	59,206	74,750	898,978
Total.....	<u>606,656</u>	<u>586,950</u>	<u>688,138</u>	<u>8,275,863</u>
Adjustments *1	4,147	(921)	392	4,714
Consolidated total.....	<u>¥610,803</u>	<u>¥586,029</u>	<u>¥688,530</u>	<u>\$8,280,577</u>

*1 US GAAP adjustments related to the differences of revenue recognition between recognition at the time of shipment and at the time of customer receipt are main components of Adjustments.

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NIDEC had sales to two customers of ¥123,640 million for the year ended March 31, 2010 within the Nidec Corporation, Nidec Electronics (Thailand), Nidec (Zhejiang), Nidec Singapore and “All Others” segments, that exceeded 10% of NIDEC’s net sales. There were no individual customers who exceeded 10% of the consolidated net sales for the year ended March 31, 2009 and 2011.

	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Net sales to other operating segments:				
Nidec Corporation.....	¥72,064	¥77,125	¥74,406	\$894,841
Nidec Electronics (Thailand)	31,125	41,117	42,024	505,400
Nidec (Zhejiang).....	2,624	3,589	3,868	46,518
Nidec (Dalian).....	26,837	24,274	20,852	250,776
Nidec Singapore.....	206	390	451	5,424
Nidec (H.K.)	5,105	3,841	1,453	17,474
Nidec Philippines.....	24,357	28,019	28,504	342,802
Nidec Sankyo.....	648	395	556	6,687
Nidec Copal	4,872	2,357	2,632	31,654
Nidec Tosok	139	156	201	2,417
Nidec Copal Electronics	43	31	27	325
Nidec Techno Motor	834	818	877	10,547
Nidec Motor.....	-	-	-	-
Nidec Motors & Actuators.....	7,548	9,432	6,702	80,601
All Others.....	59,279	70,634	73,294	881,467
Total.....	235,681	262,178	255,847	3,076,933
Intersegment elimination	(235,681)	(262,178)	(255,847)	(3,076,933)
Consolidated total.....	-	-	-	-

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	Yen in millions			U.S. dollars in thousands
	For the year ended March 31			For the year ended March 31, 2011
	2009	2010	2011	
Operating income or loss:				
Nidec Corporation	¥7,315	¥8,066	¥6,799	\$81,768
Nidec Electronics (Thailand)	15,629	22,674	22,025	264,883
Nidec (Zhejiang)	(324)	1,946	1,916	23,043
Nidec (Dalian)	2,913	4,808	2,658	31,966
Nidec Singapore	178	319	245	2,946
Nidec (H.K.)	554	608	542	6,518
Nidec Philippines	2,321	6,939	5,403	64,979
Nidec Sankyo	5,705	7,389	11,253	135,334
Nidec Copal	4,832	6,075	9,188	110,499
Nidec Tosok	1,655	2,825	4,009	48,214
Nidec Copal Electronics	2,760	2,422	4,969	59,759
Nidec Techno Motor	1,469	1,951	4,115	49,489
Nidec Motor	-	-	143	1,720
Nidec Motors & Actuators	(407)	553	1,274	15,322
All Others	7,881	12,311	15,970	192,062
Total	<u>52,481</u>	<u>78,886</u>	<u>90,509</u>	<u>1,088,502</u>
Main components of U.S. GAAP adjustments:				
Pension and severance costs	12	369	(56)	(673)
Lease	376	288	196	2,357
Consolidation adjustments mainly related to elimination of intersegment profits	(638)	598	1,563	18,797
Reclassification *1	(798)	(360)	(1,071)	(12,880)
Others *2	582	(1,268)	(614)	(7,384)
	<u>¥52,015</u>	<u>¥78,513</u>	<u>¥90,527</u>	<u>\$1,088,719</u>

*1 Some items are reclassified from other expenses (income) and included in operating expenses (income). Reclassification mainly loss on sales or disposals of fixed assets the year ended March 31, 2009, 2010 and 2011.

*2 Others is mainly from the amortization of capitalized assets related to business combinations for the years ended March 31, 2009, 2010 and 2011.

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	<u>Yen in millions</u>			<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>			<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
Depreciation:				
Nidec Corporation	¥1,417	¥1,941	¥1,072	\$12,892
Nidec Electronics (Thailand) ..	4,377	4,058	4,689	56,392
Nidec (Zhejiang)	1,138	1,122	1,121	13,482
Nidec (Dalian)	688	529	780	9,381
Nidec Singapore	150	78	79	950
Nidec (H.K.)	5	3	3	36
Nidec Philippines	3,474	2,717	2,734	32,880
Nidec Sankyo	5,344	3,957	3,830	46,061
Nidec Copal	3,606	3,340	3,990	47,986
Nidec Tosok	1,613	1,768	2,119	25,484
Nidec Copal Electronics	1,335	1,325	1,254	15,081
Nidec Techno Motor	2,014	1,953	2,164	26,025
Nidec Motor	-	-	2,426	29,176
Nidec Motors & Actuators	1,641	1,494	1,383	16,633
All Others	5,865	6,086	6,343	76,284
Total	32,667	30,371	33,987	408,743
U.S. GAAP adjustments*1	53	(63)	(55)	(661)
Others*2	(573)	(1,123)	(951)	(11,437)
Consolidated total	<u>¥32,147</u>	<u>¥29,185</u>	<u>¥32,981</u>	<u>\$396,645</u>

*1 Some leased properties are not capitalized in the operating segments but are capitalized under U.S. GAAP.

*2 The amount of each segment includes amortization of intangible assets. Others mainly represent adjustments to exclude the amortization of intangible assets in order to reconcile amounts to consolidated total of depreciation.

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(continued)

	<u>Yen in millions</u>		<u>U.S. dollars</u> <u>in thousands</u>
	<u>For the year ended</u> <u>March 31</u>		<u>For the year</u> <u>ended</u> <u>March 31,</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>
Segment assets:			
Nidec Corporation	¥405,958	¥447,220	\$5,378,473
Nidec Electronics (Thailand)	69,885	65,758	790,836
Nidec (Zhejiang)	13,785	14,936	179,627
Nidec (Dalian)	23,251	20,524	246,831
Nidec Singapore.....	10,773	8,278	99,555
Nidec (H.K.)	17,120	15,935	191,642
Nidec Philippines.....	26,867	25,220	303,307
Nidec Sankyo.....	101,339	104,650	1,258,569
Nidec Copal	70,124	66,813	803,524
Nidec Tosok	30,318	36,682	441,155
Nidec Copal Electronics	33,183	34,641	416,608
Nidec Techno Motor	41,719	46,950	564,642
Nidec Motor.....	-	62,893	756,380
Nidec Motors & Actuators.....	34,865	32,703	393,301
All Others.....	118,560	119,365	1,435,538
Total.....	997,747	1,102,568	13,259,988
U.S. GAAP adjustments.....	617	(85)	(1,022)
Elimination of intersegment assets, net of taxes	(380,410)	(445,089)	(5,352,844)
Intangible assets and other fair value adjustments ..	14,355	13,990	168,250
Goodwill	72,231	82,107	987,456
Others *1	(11,749)	(5,286)	(63,572)
Consolidated total	<u>¥692,791</u>	<u>¥748,205</u>	<u>\$8,998,256</u>

*1 Others is mainly due to the reclassification of deferred tax assets and liabilities on consolidation.

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

	<u>Yen in millions</u>		<u>U.S. dollars in thousands</u>
	<u>For the year ended March 31</u>		<u>For the year ended March 31,</u>
	<u>2010</u>	<u>2011</u>	<u>2011</u>
Expenditure for segment assets:			
Nidec Corporation	¥7,535	¥2,237	\$26,903
Nidec Electronics (Thailand)	5,007	9,173	110,319
Nidec (Zhejiang)	253	844	10,150
Nidec (Dalian)	177	2,156	25,929
Nidec Singapore	9	7	84
Nidec (H.K.)	0	8	96
Nidec Philippines	3,862	3,349	40,277
Nidec Sankyo	2,487	3,777	45,424
Nidec Copal	2,385	5,811	69,886
Nidec Tosok	818	2,586	31,100
Nidec Copal Electronics	617	1,741	20,938
Nidec Techno Motor	859	2,808	33,770
Nidec Motor	-	1,010	12,147
Nidec Motors & Actuators	1,768	1,287	15,478
All Others	3,580	5,444	65,472
Total	29,357	42,238	507,973
Reconciliation *1	7,251	12,772	153,602
Consolidated total	<u>¥36,608</u>	<u>¥55,010</u>	<u>\$661,575</u>

*1 The amounts of expenditure for segment assets are presented on an accrual basis while the amounts of consolidated total are presented on a cash basis.

NIDEC did not have significant non-cash items other than depreciation in reported profit. Equity in earnings of affiliates were not allocated to the segments in the financial information report available and were not regularly reviewed by NIDEC's chief operating decision maker. Intersegment sales were made at prices that approximate current market value.

26. Subsequent events:

Dividends for the second half of the fiscal year ending March 31, 2011

Subsequent to March 31, 2011, the Company's Board of Directors declared a cash dividend of ¥6,232 million (\$74,949 thousand) payable on June 1, 2011 to stockholders as of March 31, 2011.

NIDEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

27. Quarterly Financial Data for the year ended March 31, 2011: (Unaudited)

	Yen in millions				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net sales	¥168,766	¥167,549	¥178,659	¥173,556	¥688,530
Income from continuing operations before income taxes	21,105	20,504	19,711	18,205	79,525
Net income attributable to Nidec Corporation	<u>¥13,783</u>	<u>¥13,231</u>	<u>¥13,459</u>	<u>¥11,860</u>	<u>¥52,333</u>
Net income attributable to Nidec Corporation per share:					
Basic	98.95	95.00	96.52	85.42	375.91
Diluted	98.95	94.29	90.32	79.91	362.80

	U.S. dollars in thousands				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Net sales	\$2,029,657	\$2,015,021	\$2,148,635	\$2,087,264	\$8,280,577
Income from continuing operations before income taxes	253,818	246,590	237,054	218,942	956,404
Net income attributable to Nidec Corporation	<u>\$165,761</u>	<u>\$159,122</u>	<u>\$161,864</u>	<u>\$142,634</u>	<u>\$629,381</u>
Net income attributable to Nidec Corporation per share:					
Basic	1.19	1.14	1.16	1.03	4.52
Diluted	1.19	1.13	1.09	0.96	4.36

*1 Earnings-per-share amounts for each quarter are computed independently. As a result, their sum may not equal the total year earnings-per-share amounts.

*2 During the three months ended March 31, 2011, NIDEC completed an evaluation of the fair value of the assets acquired and the liabilities assumed upon the acquisition of Nidec Motor Corporation on September 30, 2011. As a result, additional depreciation and amortization expense has been recognized during the six month period following the acquisition. The results of operations for the three months ended March 31, 2011 was prepared based on this retrospective adjustment.

Subsidiaries of the registrant

No.	Company name in English	Jurisdiction of Incorporation
1	Nidec America Corporation	U.S.A
2	Nidec Electronics GmbH	Germany
3	Nidec Electronics (Thailand) Co., Ltd.	Thailand
4	Nidec Precision (Thailand) Co., Ltd.	Thailand
5	SC WADO Co., Ltd.	Thailand
6	Nidec (Dalian) Limited	China
7	Nidec Taiwan Corporation	Taiwan
8	Nidec Singapore Pte. Ltd.	Singapore
9	P.T. Nidec Indonesia	Indonesia
10	Nidec India Private Limited	India
11	Nidec (H.K.) Co., Ltd.	Hong Kong
12	Nidec (Shenzhen) Co., Ltd.	China
13	Nidec (Beijing) Co., Ltd.	China
14	Nidec Philippines Corporation	Philippines
15	Nidec Precision Philippines Corporation	Philippines
16	Nidec Subic Philippines Corporation	Philippines
17	Nidec Korea Corporation	Korea
18	Nidec-Kyori Corporation	Japan
19	Nidec-Kyori (Shanghai) Machinery Corporation	China
20	Nidec-Kyori (Zhejiang) Machinery Corporation	China
21	Nidec Machinery Corporation	Japan
22	Nidec Machinery (Thailand) Co., Ltd.	Thailand
23	Nidec Machinery (Zhejiang) Corporation	China
24	Nidec Total Service Corporation	Japan
25	Nidec Total Service (Zhejiang) Corporation	China
26	Nidec Techno Motor Holdings Corporation	Japan
27	Nidec Seiko Corporation	Japan
28	Nidec Power Motor (Shanghai) International Trading Co., Ltd.	China
29	Nidec Sole Motor Corporation S.R.L.	Italy
30	Nidec Sole Motor Hungary K.F.T.	Hungary
31	Nidec-Shimpo Corporation	Japan
32	Nidec-Read Corporation	Japan
33	Nidec-Read Taiwan Corporation	Taiwan
34	Nidec-Read (Shanghai) International Trading Co., Ltd.	China
35	Nidec-Read Korea Corporation	Korea
36	LuzCom, Inc.	Japan
37	Nidec-Read (Zhejiang) Corporation	China
38	Nidec-Shimpo America Corporation	U.S.A
39	Shimpo Drives Incorporation	U.S.A

Exhibit 8.1

No.	Company name in English	Jurisdiction of Incorporation
40	Nidec-Shimpo Philippines Corporation	Philippines
41	Nidec-Shimpo (Shanghai) International Trading Co., Ltd.	China
42	Nidec-Shimpo Taiwan Corporation	Taiwan
43	Nidec-Shimpo (Zhejiang) Corporation	China
44	Nidec-Shimpo (H.K.) Co., Ltd.	Hong Kong
45	Nidec-Shimpo India Sales & Trading Private Limited	India
46	Nidec Tosok Corporation	Japan
47	Nidec Tosok (Vietnam) Co., Ltd.	Vietnam
48	Nidec Tosok (Shanghai) Co., Ltd.	China
49	Nidec Tosok System Engineering (Zhejiang) Corporation	China
50	Nidec Tosok Akiba (Vietnam) Co., Ltd.	Vietnam
51	Nidec Copal Corporation	Japan
52	Nidec Copal Philippines Corporation	Philippines
53	Nidec Copal (Vietnam) Co., Ltd.	Vietnam
54	Nidec Copal (Malaysia) Sdn. Bhd.	Malaysia
55	Nidec Copal Precision Parts Corporation	Japan
56	Nidec Copal (Thailand) Co., Ltd.	Thailand
57	Copal Optical and Electronic Machinery (Shanghai) Co., Ltd.	China
58	Nidec Copal (U.S.A) Corporation	U.S.A
59	Nidec Copal Hong Kong Co., Ltd.	Hong Kong
60	Nidec Copal (Zhejiang) Co., Ltd.	China
61	Copal Yamada Corporation	Japan
62	Copal Yamada (Vietnam) Co., Ltd.	Vietnam
63	Nidec Copal Precision (Vietnam) Corporation	Vietnam
64	Nidec Copal Electronics Corporation	Japan
65	Nidec Copal Electronics, Inc.	U.S.A
66	Nidec Copal Electronics GmbH	Germany
67	Globa Service Inc.	Japan
68	Globa Sales Co., Ltd.	Japan
69	Nidec Copal Electronics (Shanghai) Co., Ltd.	China
70	Nidec Copal Electronics (Korea) Co., Ltd.	Korea
71	Nidec Copal Electronics (Zhejiang) Co., Ltd.	China
72	Nidec Copal Electronics Singapore Pte. Ltd.	Singapore
73	Fujisoku Corporation	Japan
74	Hangzhou Keming Electronics.,Ltd.	China
75	Nidec Shibaura Corporation	Japan
76	Nidec Shibaura (Zhejiang) Co., Ltd.	China
77	Nidec Shibaura Electronics (Thailand) Co., Ltd.	Thailand
78	Nidec Shibaura (H.K.) Limited	Hong Kong
79	Nidec (Zhejiang) Corporation	China

Exhibit 8.1

No.	Company name in English	Jurisdiction of Incorporation
80	Nidec (Dongguan) Limited	China
81	Nidec (Shaoguan) Limited	China
82	Nidec Automobile Motor (Zhejiang) Corporation	China
83	Nidec (New Territories) Co., Ltd.	China
84	Nidec (Shanghai) International Trading Co., Ltd.	China
85	Nidec Vietnam Corporation	Vietnam
86	Nidec Bearing (Zhejiang) Corporation	China
87	Nidec Bearing (Thailand) Co., Ltd.	Thailand
88	Nidec Sankyo Corporation	Japan
89	Nidec Logistics Corporation	Japan
90	Nidec Logistics Consulting (Pinghu) Corporation	China
91	Nidec Logistics Singapore Pte. Ltd.	Singapore
92	Nidec Logistics (H.K.) Co., Limited	Hong Kong
93	Nidec Sankyo Service engineering Corporation	Japan
94	Nidec Sankyo Shoji Corporation	Japan
95	Nidec Sankyo Music Box Corporation	Japan
96	Nidec Sankyo America Corporation	U.S.A
97	Nidec Sankyo Taiwan Corporation	Taiwan
98	Nidec Sankyo Singapore Pte. Ltd.	Singapore
99	Nidec Sankyo (Zhejiang) Corporation	China
100	Nidec Sankyo Vietnam Corporation	Vietnam
101	Nidec Sankyo (Fuzhou) Corporation	China
102	Nidec Sankyo Electronics (Shanghai) Corporation	China
103	Nidec Sankyo (H.K.) Co., Ltd.	Hong Kong
104	Nidec Sankyo Electronics (Shaoguan) Co., Ltd.	China
105	Nidec Sankyo Electronics (Shenzhen) Corporation	China
106	Nidec Sankyo Europe GmbH	Germany
107	Nidec Sankyo Electronics (Dongguan) Corporation	China
108	Nidec Nissin Corporation	Japan
109	Nidec Nissin Tohoku Corporation	Japan
110	Nidec Nissin (H.K.) Co., Ltd.	Hong Kong
111	Nidec Nissin (Dongguan) Corporation	China
112	Nidec Nissin (Dalian) Corporation	Vietnam
113	Nidec Nissin Vietnam Corporation	Indonesia
114	P.T. Nidec Nissin Indonesia	China
115	Nidec Pigeon Corporation	Japan
116	Nidec Pigeon (H.K.) Co., Ltd.	Hong Kong
117	Nidec Motors & Actuators	France
118	Nidec Motors & Actuators (Germany) GmbH	Germany
119	NMA Property Verwaltungsgesellschaft mbH	Germany

Exhibit 8.1

No.	Company name in English	Jurisdiction of Incorporation
120	Nidec Motors & Actuators (Poland) Sp.Z o.o.	Poland
121	Nidec Motors & Actuators (Spain) S.A.	Spain
122	Nidec Motors & Actuators (USA) Inc.	U.S.A
123	Nidec Motors & Actuators (Mexico) S. de R.L. de C.V.	Mexico
124	Nidec Brilliant Co., Ltd.	Singapore
125	Nidec BMS Pte. Ltd.	Singapore
126	Nidec Legend Pte. Ltd.	Singapore
127	PT Brilliant Precision	Indonesia
128	PT Pacific Coatings Batam	Indonesia
129	Nidec Brilliant (Thailand) Co., Ltd.	Thailand
130	Nidec Brilliant Precision (Thailand) Co., Ltd.	Thailand
131	Nidec Brilliant (Suzhou) Co., Ltd.	China
132	Nidec BMS (Suzhou) Co., Ltd.	China
133	Taima Casting Sdn. Bhd.	Malaysia
134	Nidec Servo Corporation	Japan
135	Nidec Servo Hotaka Corporation	Japan
136	Japan Servo Motors Singapore Pte,Ltd	Singapore
137	PT.Japan Servo Batam	Indonesia
138	Nidec Servo (Hong Kong) Co.,Limited	Hong Kong
139	Nidec Servo (Changzhou) Corporation	China
140	Japan Servo Europe GmbH	Germany
141	Nidec Servo Vietnam Corporation	Vietnam
142	Nidec Servo Europe B.V.	Netherlands
143	Nidec Servo (Shanghai) Co., Ltd.	China
144	Nidec Motor Holdings Corporation	Japan
145	Nidec Motor Corporation	U.S.A
146	Nidec Motor Canada Corporation	Canada
147	Compania de Motores Domesticos, S.A. de C.V.	Mexico
148	Rotores S.A. de C.V.	Mexico
149	Controles Electromecanicos de Mexico S.A. de C.V.	Mexico
150	Emerson Laminaciones de Acero de Monterrey, S.A. de C.V.	Mexico
151	Motores Reynosa, S.A. de C.V.	Mexico
152	Motores U.S. de Mexico S.A. de C.V.	Mexico
153	U.S.E.M. de Mexico, S.A. de C.V.	Mexico
154	Nidec SR Drives Manufacturing Ltd.	England
155	Nidec SR Drives Ltd.	England
156	Emerson (China) Motor Co., Ltd.	China
157	Nidec Motor Colombia SAS	Colombia
158	Emerson Venezuela C.A.	Venezuela

The Compliance Code of Conduct

Nidec Group requires the highest standards of professional and ethical conduct from its employees, officers, corporate auditors and directors. Our reputation for honesty and integrity among our customers, shareholders and other stakeholders is key to the success of our business. No employee, officer, corporate auditor or director will be permitted to achieve results through violations of laws or regulations or through unscrupulous dealings.

This document, "The Compliance Code of Conduct," stipulates specific guidance for Nidec Group employees, officers, corporate auditors and directors to comply with not only domestic/foreign laws, rules and regulations but also social rules, ethics, etc. in the company's daily business activities.

This Code of Conduct will apply to Nidec Corporation, its consolidated companies, and all of their directors, corporate auditors, officers and other employees after undergoing these companies' required procedures. The Company recognizes that special circumstance for individual group companies may exist due to the laws, customs, etc. of the countries and regions where they operate and the business type, product kind, etc. relating to them. Although the Code of Conduct may be adopted to reflect such special circumstances, any such amendment must not contradict the original purpose of the Code of Conduct, and honesty and integrity must always characterize Nidec Group's business activities.

I. The basic philosophy (the Seven Compliance Principles)

We hereby establish the following "Seven Compliance Principles" as the Compliance Code of Ethics of Nidec Group, and, as laws, rules and the society's requirements to companies change with the times, we will always keep in mind the spirit of the Code, promote sound business activities, and stay on the "royal road of business management" as a global manufacturer that contributes to establishing a sustainable society.

We will:

1. Comply with laws and business ethics.
2. Avoid conflicts of interest with the company.
3. Make sure to disclose accurate information.
4. Maintain the confidentiality of information.
5. Protect and properly use the company's assets.
6. Conduct our business fairly.
7. Report any violation of the rules to the Compliance Office.

II. The Compliance Code of Conduct

1. Compliance with laws and business ethics

We will comply with laws and business ethics.

(Staying on the “royal road of business management”)

- We must recognize ourselves as members of the international society, comply with domestic/international laws, rules and regulations, fulfill the company’s social responsibilities based on high business ethics, and stay on the “royal road of business management” based on the principle that we must be responsible for our own actions.
- All employees, officers, corporate auditors and directors must avoid even the appearance of impropriety or unethical behavior.

(Comprehending and compliance with laws, internal regulations, etc.)

- We must ensure that each employee, officer, corporate auditor or director fully understands the laws, rules, internal regulations, etc. related to his/her own work, and that it always follows these laws, rules, internal regulations, etc.
- It is essential to comply with not only the letter of applicable laws, rules and regulations, but also the spirit of such laws, rules and regulations.

(Securing product safety)

- To secure the safety of our global products, we must comply with relevant laws, rules, etc. on the safety, quality, and reliability of individual countries and regions, and properly manage our products’ safety.

(Respecting basic human rights and banning discriminatory treatments)

- In all of our business activities, we must respect basic human rights, and not engage in either any discriminatory treatment or derogatory treatment on human rights.

(Keeping transparent political and governmental relations)

- We must maintain healthy and transparent political and governmental relations.

(Ban on forming relations with anti-social forces)

- As an organization, we must firmly resist against improper requests from anti-social forces and organizations, and not engage in any dealings with them.

(Ban on Insider trading)

- Insider trading is unethical and illegal. Employees, officers, corporate auditors and directors are not allowed to trade in the Company’s securities while in possession of material non-public information regarding the Company. It is also illegal to “tip” or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further.

(Securing self-correcting functions)

- If we identify any violation of laws, rules, internal regulations, etc. by ourselves or other directors, auditors, officers and employees, we will report thereon based on internal regulations to correct such violation immediately, and strictly handle such violation.

(Strict adherence)

- Employees, officers, corporate auditors or directors who fail to comply with this Code and applicable laws, rules and regulations may be subject to disciplinary measures, up to and including discharge from the Company.

2. Prevention of conflicts of interest

We will avoid conflicts of interest with the company.

(Avoiding acts of conflict of interest)

- Each employee, officer, corporate auditor or director must not engage in any act that interferes or conflicts, or has the potential to interfere or conflict, with the interests of the Company. If any activity seems to interfere or conflict with the interests of the company, employees, officers, corporate auditors or directors must report such a case to the appropriate senior officer and the proper department in charge, and must not act unless specifically confirmed that such a case will not conflict with the interests of the Company. A conflict situation can arise when an employee, officer, corporate auditor or director takes actions or has personal or family interests that may make it difficult to perform his or her work (or discharge his or her duties and obligations) effectively. Conflicts of interest also arise when an employee, officer, corporate auditor or director, or a member of his or her family, or any of his or her affiliates receives improper personal benefits, including loans or loan guarantees.
- Each employee, officer, corporate auditor or director must not engage in any act that would damage the company's reputation or trust.
- Among acts that employees, officers, corporate auditors or directors must engage in relations to their work for the Company, they will not engage in any act that would require them to act beyond their permitted scope.

(Securing the transparency on relations with stakeholders)

- When contacting our stakeholders, we will not act in any way that would cause people's suspicion or misunderstanding, and act with moderation.

(Ban on the personal use of information)

- Each employee, officer, corporate auditor or director must not use the company's confidential information for any personal profit, or disclose or leak such information more than he/she is authorized to in conducting his/her work.
- Each employee, officer, corporate auditor or director must not use any non-public information in his/her securities transactions, which could be a violation of applicable insider-trading laws and regulations.

(Maintaining a clear line between the personal and professional lives)

- Each employee, officer, corporate auditor or director must not use the company's assets or budget for any personal purpose.

3. Accurate recording and information disclosure

We will make sure to disclose accurate information.

(Active disclosure of the company's information)

- To secure the transparency of our company's business, etc., we must actively and properly disclose the company's information timely and as fully as necessary to be

understandable.

- As a publicly listed company, we must provide full, fair, accurate, timely and understandable disclosure in the reports and other documents that the Company files with, or submits to, the Japanese Financial Services Agency (the “FSA”), the U.S. Securities and Exchange Commission (the “SEC”) and in its other public communications in order to meet the expectations of the Company’s shareholders and other stakeholders. Persons responsible for the preparation of such documents and reports and other public communications are to exercise the highest standard of care in their preparation.

(Accurate recording and document filing)

- Each employee, officer, corporate auditor or director must properly record all work-related information according to laws, rules, internal regulations, etc., ensure that no misleading or false statement or error will be on internal documents, and comply with the rule of keeping such documents for a specific period of time in accordance with all applicable laws, rules and regulations.

(Proper accounting and account reporting)

- Each employee, officer, corporate auditor or director must always secure the accuracy of our company’s accounting reports based on the proper accounting that complies with relevant laws and standards, submit such reports timely and properly, and not describe any false information or write the reports in any misleading way.
- No information should be concealed from the internal auditors or the independent auditors.

(Proper execution of the tax obligations)

- We will properly fulfill our obligation to pay taxes based on applicable laws.

(Prevention of misrepresentation, and accidents and conflicts)

- We will not present or advertize any information in any misleading way to our customers, and do our very best to prevent accidents and troubles by preparing easy-to-understand specifications, user’s manuals, etc.

(Prompt damage containment actions)

- If defect is found or suspected in any of our company’s products, each employee, officer, corporate auditor or director must report it to an appropriate senior officer, and we must consider the product user’s interest as the first priority and take damage-containing actions immediately such as quickly communicating the defect to the product’s users.

4. Strict maintenance of confidentiality

We will maintain the confidentiality of information.
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(Strict maintenance of confidentiality)

- Each employee, officer, corporate auditor or director must strictly manage personal information and other confidential information of the company both during and after employment based on internal regulations, etc., and not use such information either

unfairly or improperly.

- When, out of necessity based on the Company's business transactions, disclosing any of the company's confidential information to a third party, we will always conclude an appropriate non-disclosure arrangement.
- When using personal computers and other electronic information devices and networks, each employee, officer, corporate auditor or director must follow social and internal rules, not cause any trouble in maintaining confidentiality, and he/she will prevent the improper use of and unauthorized access to such devices and networks, and nuisance to any third party.

(Ban on the improper acquisition and violation of third parties' confidential information)

- Each employee, officer, corporate auditor or director must use any information on the customers, suppliers, other business partners, etc. that the Company has obtained through the Company's work only for proper purposes, and each employee, officer, corporate auditor or director must not obtain such information through any improper way.
- In engaging in our work, we will never improperly use any confidential information obtained based on the employment relationship with other employers.

5. Protection and appropriate use of company property

We will protect and properly use the company's assets.

(Appropriate use of intellectual property rights and non-violation of the intellectual property rights of others)

- The creation of intellectual property rights like patent rights, copyrights and similar, is actively sought, and such rights are used in an appropriate way. Violation of the intellectual property rights of others is not tolerated.
- If intellectual property is created during the course of professional duty, employees shall cooperate with the patent application of the company, conduct appropriate patent maintenance and ensure its integrity.

(Appropriate management of company property)

- Information assets are managed appropriately in order to prevent leakage or other misuse of information.
- Each employee, officer, corporate auditor and director must promote the responsible use of the Company's assets and resources by the Company and ensure that they are used efficiently and for legitimate business purposes. The conduct of wrongful activities causing loss or damages to tangible and intangible company assets is not tolerated. Company assets may never be used for illegal purposes. Any suspected incidents of fraud or theft should be immediately reported for investigation.

(Maintaining a good workplace environment)

- Based on the understanding that the most important management resource of a company is its employment force, the company endeavors to create a workplace environment, in which employees can engage safely and soundly in rewarding and satisfying work.

(Thorough risk management)

- Taking into account business environment and such business affairs as finances, legal affairs, management of human resources and labor, R&D, production as well as sales and marketing, the risks inherent in each task are recognized, duties are fulfilled in compliance with company rules and regulations, and directors, auditors, officers and other employees do their best to proactively prevent the occurrence of risk realization.

(Prevention of recurrence of problems)

- The cause of accidents and other problems is investigated and according records are kept; a system, in which this information is quickly put to use in order to prevent recurrence and contain damages, is established.

6. Prevention of unfair competition

We will conduct our business fairly.

(Maintenance of fair and free competition)

- Free as well as fair competition is maintained, and unfair competition is not conducted in our business deals and transactions.

(Observation of the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors)

- Not condoning illegal acts, The Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors is observed, and fair service transactions are conducted.

(Ensuring transparency in transactions with customers and vendors)

- When selecting vendors, a fair and transparent evaluation, based on the strict observance of the applicable law, with such selection standards as safety, quality, environmental aspects, price and delivery time, is conducted. There is no differentiation between domestic and non-Japanese service providers, and the attitude is that of a company open to the whole world.
- Favors towards customers like kickbacks, personal commissions and similar are not permitted.

(Prohibition of bribery and similar acts)

- Regardless of inside or outside of Japan, illegally promising or providing money or goods, gifts or other economic benefits to civil servants or persons in functions, that correspond to the position of a civil servant, is not tolerated. Such act may be a criminal offense and will not be tolerated by the Company.

(Prohibition of illegal acquisition of information and attentiveness towards wrongdoing of customers and vendors)

- Information about other companies must be obtained with fair methods and handled carefully. Due care with regards to wrongdoing of customers or partner companies is exercised.

(Prohibition of acts causing obstruction of business)

- Acts aimed at other companies that cause obstruction of business, as well as misleading representation of products and similar acts are prohibited.

7. System for compliance implementation

We will report any violation of the rules to the Compliance Office.

(Utilization of system for internal reporting)

- When it is discovered, that one's own actions or the actions of another director, auditor, officer or other employee are in violation of legal stipulation or company regulation, a prompt report to the Compliance Office or the internal violation report window, setup outside of the company, is encouraged by the Company and required by the Code.
- Any director, auditor, officer or employee who is reporting any possible violation of this Code may choose to remain anonymous in reporting such possible violation. The Company prohibits retaliatory action against anyone who, in good faith, reports a possible violation.
- Every director, auditor, officer and other employee is aware of the fact that violations of the "Compliance Code of Conduct" might be subject to disciplinary action or other punishment based on related legal and employment regulations.

(Systematic response to anti-social forces)

- An approach by anti-social forces or groups has to be promptly reported to a superior. Illegitimate claims and requests for transaction shall be met with a firm response as an organization.

(Maintenance and operation of internal control system)

- In order to advance the compliance system, (1) the principal executive officer shall maintain and operate an internal control system based on the basic framework for internal control as established by the board of directors, and assume the responsibility for its evaluation; (2) management level employees shall be responsible for maintaining and operating an internal control system with regards to the sections and duty assignments under their control.
- This Code cannot, and is not intended to, address all of the situations you may encounter. The Company will adopt a more detailed compliance manual and policy. In addition, the Company encourages each director, auditor, officer and employee to apply good judgment and contact an appropriate supervisor, manager or a member of human resources or compliance offices for guidance when he/she is confronted by circumstances not covered by the Code or any Company policy or procedure.
- To further promote such communications, the Company shall promote the Compliance Committee, the Compliance Office as well as the Compliance Officer who shall be responsible for compliance in each department and at each business unit shall perform a central role at their respective stage in the system.

(Awareness-raising for directors, auditors, officers and other employees)

- Parallel to informing and teaching about the "Compliance Code of Conduct" through educational and training activities, etc., directors, auditors, officers and other employees should also contemplate this issue on their own and carry out the practical and proper compliance duty.

(Effective monitoring and evaluation)

- The Company strives to improve the Code. The Internal Audit Department conducts monitoring and evaluation of the compliance implementation through operational audits, and, in case of recognizing significant concerns and problems, recommends

ways for improvement or requests the implementation of improvement measures.

(Responsible conduct in a crisis)

- In the case of socially-prohibited behavior, for example illegal activities and similar, occurring inside the company, or the suspicion of such behavior, responsible conduct, such as informing the competent authorities without concealment and cooperating fully with the investigation, is essential.

(Waivers of the Code)

- Any waiver of this Code for the principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions), other executive officers or directors will be made only by the Board of Directors and will be disclosed as required by law or stock exchange regulation.

(Amendments of the Code)

- Any amendment of this Code will be made only by the Board of Directors and will be disclosed as required by law or stock exchange regulation.

CERTIFICATION

I, Shigenobu Nagamori, certify that:

1. I have reviewed this annual report on Form 20-F of Nidec Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 23, 2011

/s/ Shigenobu Nagamori

Shigenobu Nagamori
President, Chief Executive Officer
and Representative Director

CERTIFICATION

I, Masuo Yoshimatsu, certify that:

1. I have reviewed this annual report on Form 20-F of Nidec Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: June 23, 2011

/s/ Masuo Yoshimatsu

Masuo Yoshimatsu
Senior Vice President, Chief
Financial Officer and Director

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Nidec Corporation (the “Company”) hereby certifies, to such officer’s knowledge, that the Company’s annual report on Form 20-F for the fiscal year ended March 31, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the U.S. Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 23, 2011

/s/ Shibenobu Nagamori

Shigenobu Nagamori
President, Chief Executive Officer and
Representative Director

CERTIFICATION

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Nidec Corporation (the “Company”) hereby certifies, to such officer’s knowledge, that the Company’s annual report on Form 20-F for the fiscal year ended March 31, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the U.S. Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 23, 2011

/s/ Masuo Yoshimatsu

Masuo Yoshimatsu

**Senior Vice President, Chief Financial
Officer and Director**