

Nidec Corporation

Third Quarter Fiscal 2023 Results

Three and Nine Months Ended December 31, 2023

<IFRS>



A precision reducer, KINEX, which can be installed in joints of mid- and large-size multi-joint robots

Disclaimer Regarding Forward-looking Statements

These presentation materials and the related discussions contain forward-looking statements including expectations, estimates, projections, plans and strategies. Such forward-looking statements are based on management's targets, assumptions and beliefs in light of the information currently available. Certain risks, uncertainties and other factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in customer circumstances and demand, exchange rate fluctuations, and the Nidec Group's ability to design, develop, mass produce and win acceptance of its products and to acquire and successfully integrate companies with complementary technologies and product lines. Please see other disclosure documents filed or published by the Nidec Group companies, including the Japanese securities report, for additional information regarding such risks and uncertainties. Nidec undertakes no obligation to update the forward-looking statements unless required by law.

The first slide features a new precision reducer, KINEX, manufactured by Nidec Drive Technology. KINEX can be installed as a servo motor reducer for any applications such as the joints of mid- and large-size multi-joint robots and Selective Compliance Assembly Robot Arms, SCARA robots.

■ **Record-high nine months financial results**

Nine months consolidated net sales, operating profit, profit before income taxes and profit attributable to owners of the parent stood at record highs.

■ **Strategic shift to restart Battery EV related business**

We expect that structural reform expenses will occur for improving the financial soundness and profitability of the Battery EV related business.

■ **Upward revision of year-end dividend forecast for the year ending March 31, 2024**

Although we revised fiscal 2023 earnings forecasts, we revised upward its year-end dividend projection for the year ending March 31, 2024 to 40 yen (increased by 5 yen), making the projected aggregate annual dividend 75 yen per share.

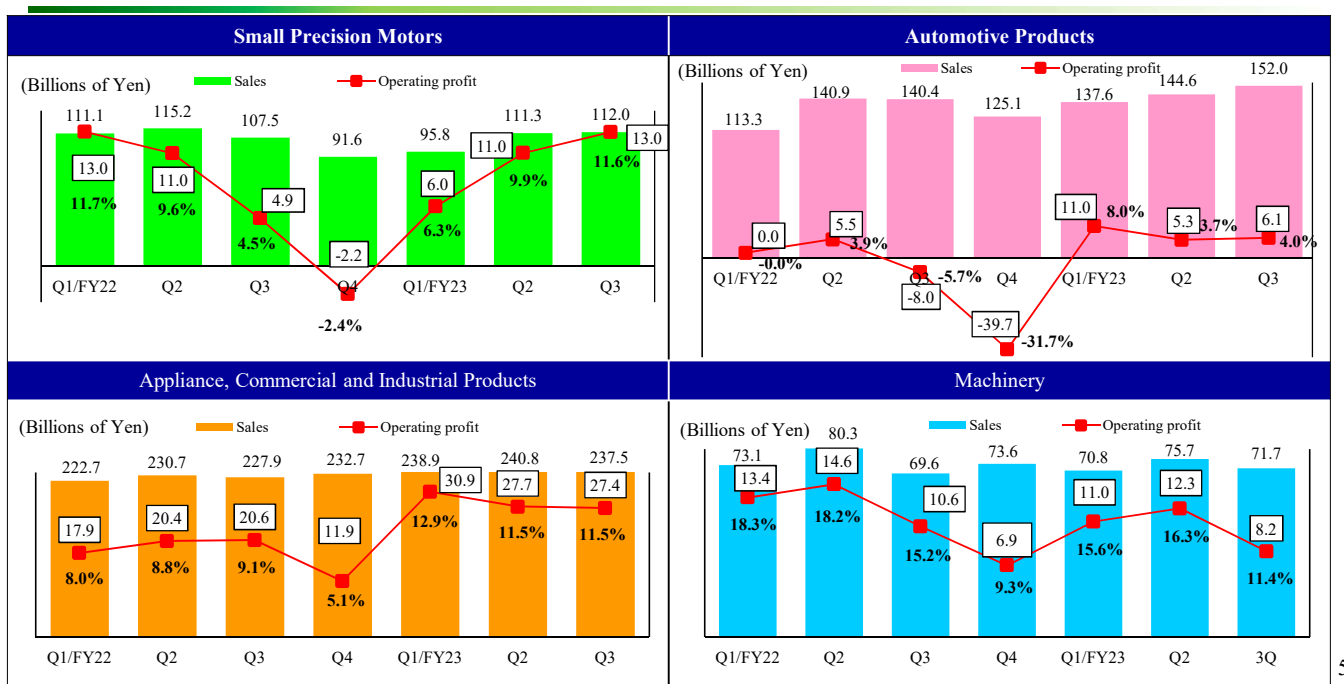
■ Consolidated Profit/Loss

Millions of Yen, except for percentages, EPS, and FX rates	Q3/FY2022 (Apr-Dec)	Q3/FY2023 (Apr-Dec)	Change
Net sales	1,699,747	1,754,688	+3.2%
Operating profit	124,404	169,321	+36.1%
<i>Operating profit ratio</i>	7.3%	9.6%	-
Profit before income taxes	141,944	193,744	+36.5%
Profit attributable to owners of the parent	104,077	145,908	+40.2%
EPS (Yen)	180.72	253.93	+40.5%
FX rate (Yen/US\$)			
Average:	136.51	143.29	+5.0%
Term end:	132.70	141.83	+6.9%

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2023 is estimated to have an annualized impact of 10.0 billion yen and 1.9 billion yen on net sales, respectively, and 1.1 billion yen and 0.4 billion yen on operating profit, respectively.

Product Group Overview

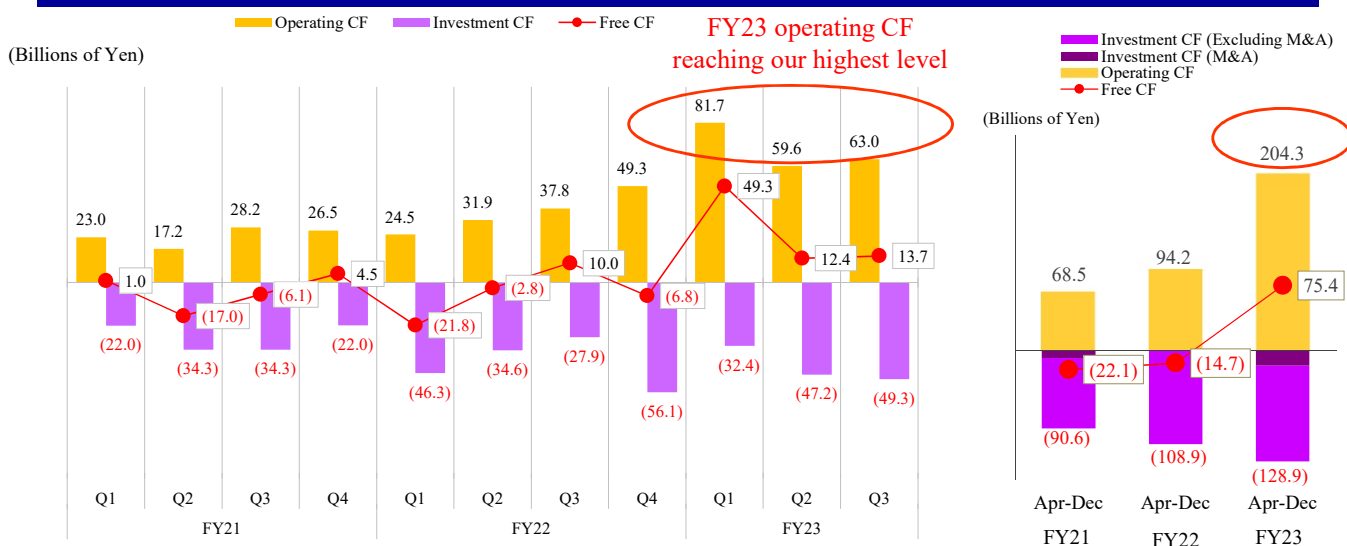
*Please refer to Notes on Page 24.



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Promoting Cash Flow Management

Aiming to enhance cash generating ability through improving operating profit ratio and optimizing working capital



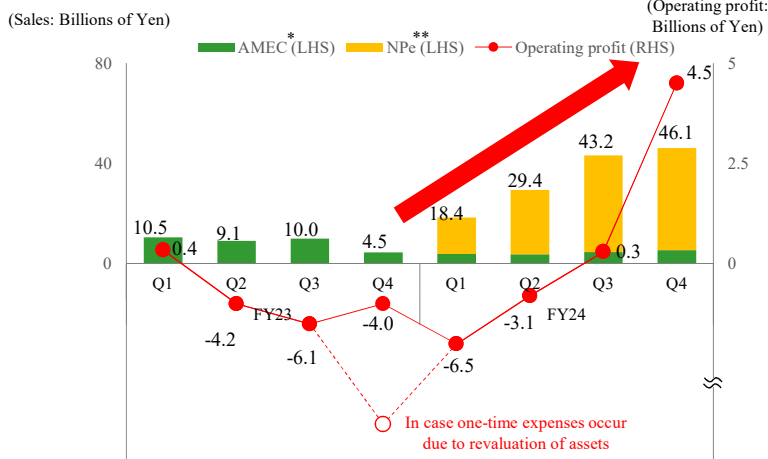
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Restart in Battery EV Related Business in FY2024

This slide includes forward-looking statements. See Disclaimer on Page 2.

Profitability bottoms out in Q4 FY2023. FY2024 is expected to see improved profitability.

<Profitability Improvement Plan of Battery EV Related Business>














*AMEC: Automotive Motor & Electronic Control Business Unit
 **NPe: Nidec PSA emotors (Joint venture of Nidec and Stellantis)
 ***CDQ market: A market where cost is the first, delivery lead time is the second and quality is the third priority

- Aim to strengthen cooperation between NPe and AMEC in human resources, technology and production.
- For full production launch of NPe in FY2024, AMEC China factory will help with motor parts.
- Extremely fierce price competition progresses in the Chinese market (CDQ market***). Monetize the business through limiting unprofitable orders, and localizing product development and procurement.

NPe* (Joint Venture between Nidec and Stellantis)

This slide includes forward-looking statements. See Disclaimer on Page 2.

Increasing number of car models is adopting NPe's E-Axles.
 NPe will be consolidated into Nidec group in FY2024.

Start of Production	In mass production			Mass production starts in/after FY2024	
	Car models installed with NPe's E-Axle	 DS3 E-Tense	 Jeep Avenger	 Fiat 600e	 C3 elec
	 Peugeot e-208	 Peugeot e-208	 Opel Mokka-e	 Opel Crossland	 Fiat panda
E-Axle	 125 kW			 80 kW	

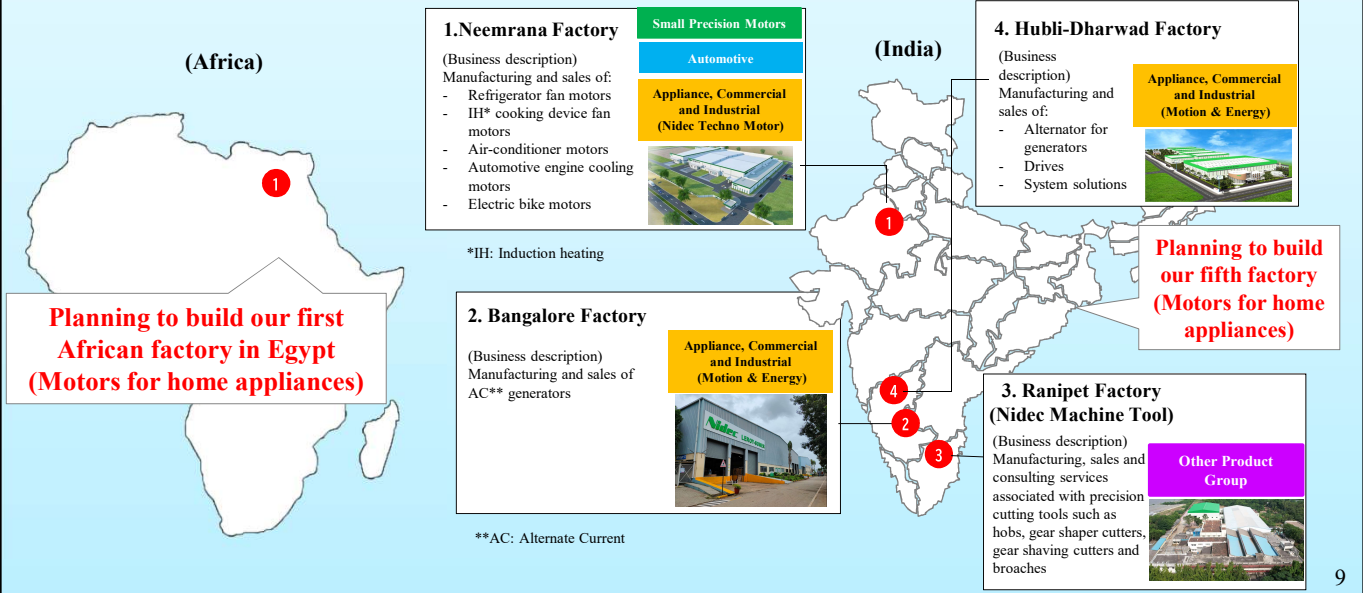
*NPe: Nidec PSA emotors

Expanding Manufacturing Footprint in India and Africa

This slide includes forward-looking statements. See Disclaimer on Page 2.



- ✓ Intensive investment in India and Africa to respond to increasing demand
- ✓ Planning to start production in Africa in 2025



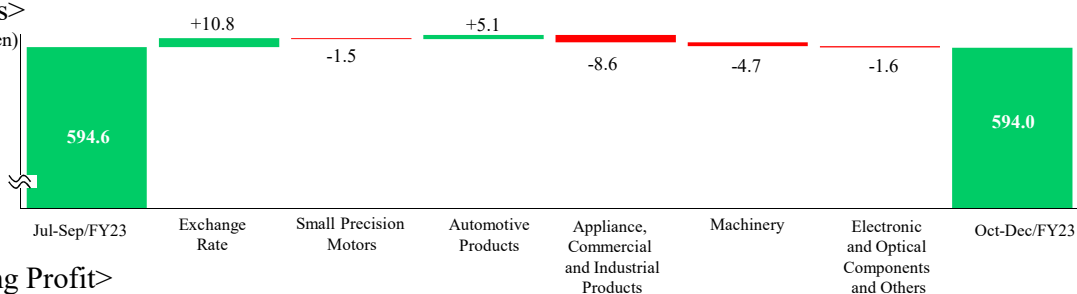
Year-on-Year Changes (Nine Months Ended Dec. 2023)



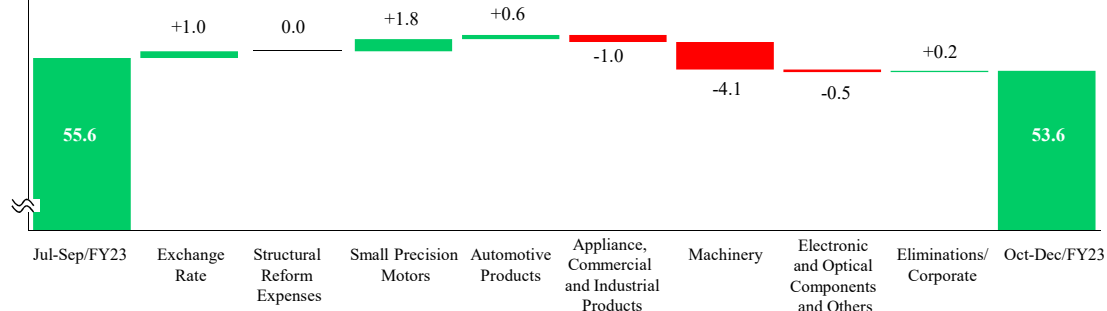
Quarter-on-Quarter Changes (Three Months Ended Dec. 2023)



<Net Sales> (Billions of Yen)



<Operating Profit> (Billions of Yen)



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Revision to FY2023 Annual Earnings Forecasts

This slide includes forward-looking statements. See Disclaimer on Page 2.



Revision to FY2023 annual forecasts assuming one-time expense occurring in Q4 due to asset revaluation

Millions of Yen, except for percentages, EPS and FX rates	FY23 Forecasts (As of Apr. 24, 2023)	FY23 Forecasts (As of Jan. 24, 2024)	1H/FY23	Q3/FY23 (Oct.-Dec. 2023)	Q4/FY23 (Jan.-Mar. 2024) (Forecast)
Net sales	2,200,000	2,300,000	1,160,662	594,026	545,312
Operating profit	220,000	180,000	115,759	53,562	10,679
Operating profit ratio	10.0%	7.8%	10.0%	9.0%	2.0%
Profit before income taxes	210,000	205,000	145,336	48,408	11,256
Profit attributable to owners of the parent	165,000	135,000	106,064	39,844	-10,908
EPS (Yen)	287.16	234.95	184.59	69.34	-18.98
FX rate (Yen/US\$)	120.00 (Assumed for full-year)	120.00 (Assumed for Q4)	141.00 (Average rate)	147.89 (Average rate)	120.00 (Assumed for Q4)

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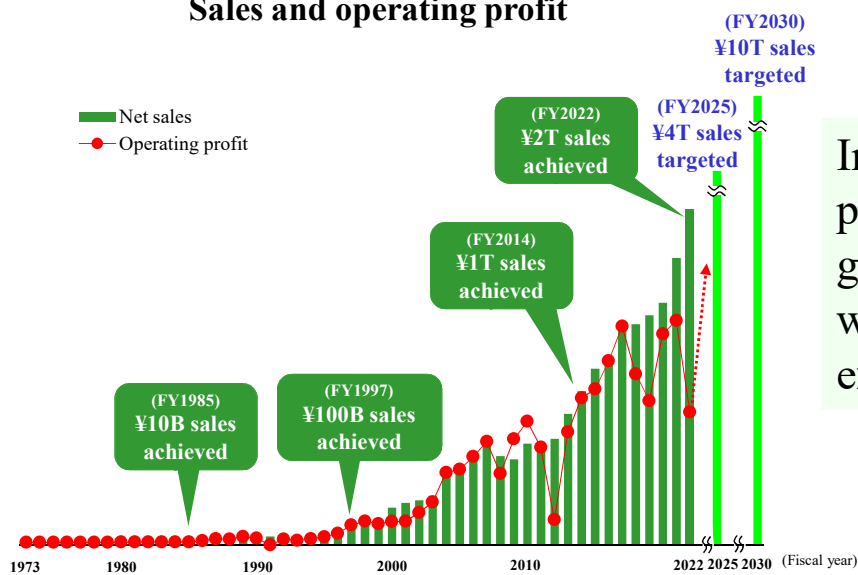
Mid-Term Strategic Goal

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Nidec Mid- to Long-Term Growth Target



Sales and operating profit



Increase sales and profit through organic growth and M&As with a focus on expanding markets

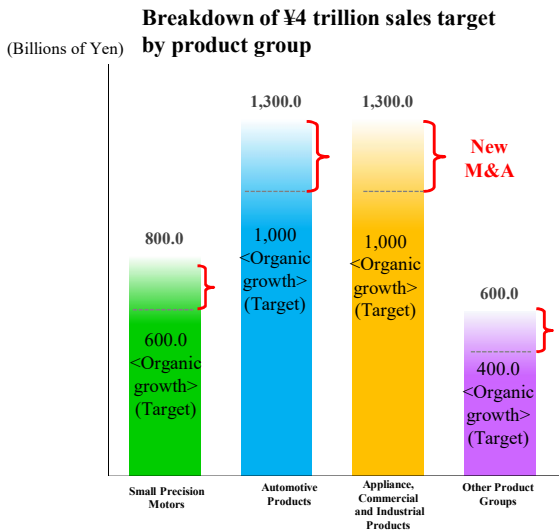
This slide includes forward-looking statements. See Disclaimer on Page 2.

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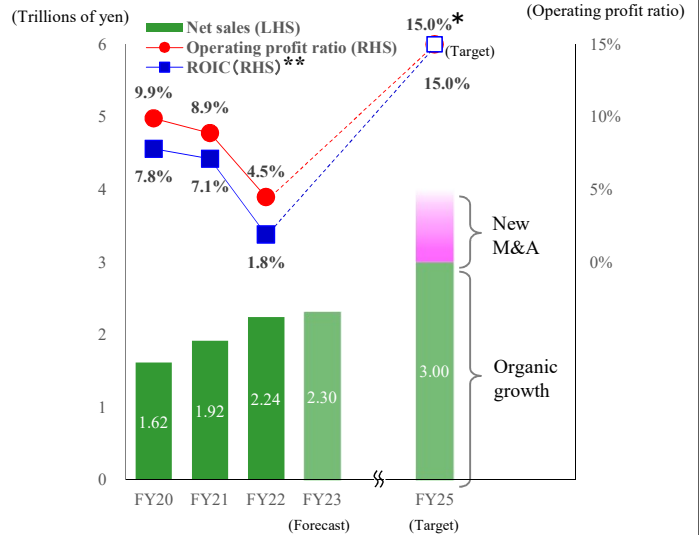
Mid-Term Strategic Goals **Vision2025**

This slide includes forward-looking statements. See Disclaimer on Page 2.

FY2025 Net sales: 4 trillion yen (Target)



4 trillion yen sales: 3T yen (operating profit ratio of 15%) + 1T yen through M&A



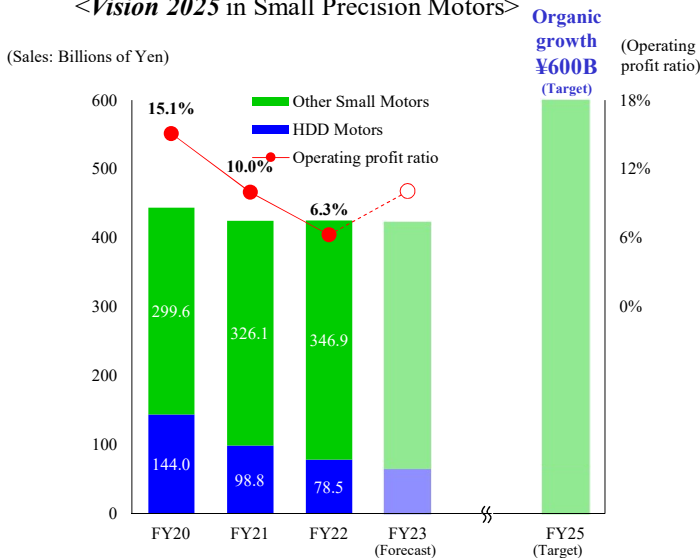
*Operating profit ratio of 15% is only applicable to sales target of 3 trillion yen in FY25.

**ROIC: Return on invested capital

Small Precision Motors: Acceleration of Business Portfolio Transformation in the Segment

Mass-producing small automotive motors in addition to capturing demand for energy efficiency and thermal management

<Vision 2025 in Small Precision Motors>



<Items to drive mid-term growth>

- Transform the portfolio by actively working on 1) small automotive motors (electric two-wheeled vehicles and small EV motors with an output below 30kW or less), 2) thermal solutions (cooling fans and our group company CCI's products), and 3) digital home appliance motors.
- In HDD, we continue to focus on data centers and servers to improve the product mix for higher profitability.



Panda Mini



Model number with Nidec's motor is increasing



Huan Dian Shou 01

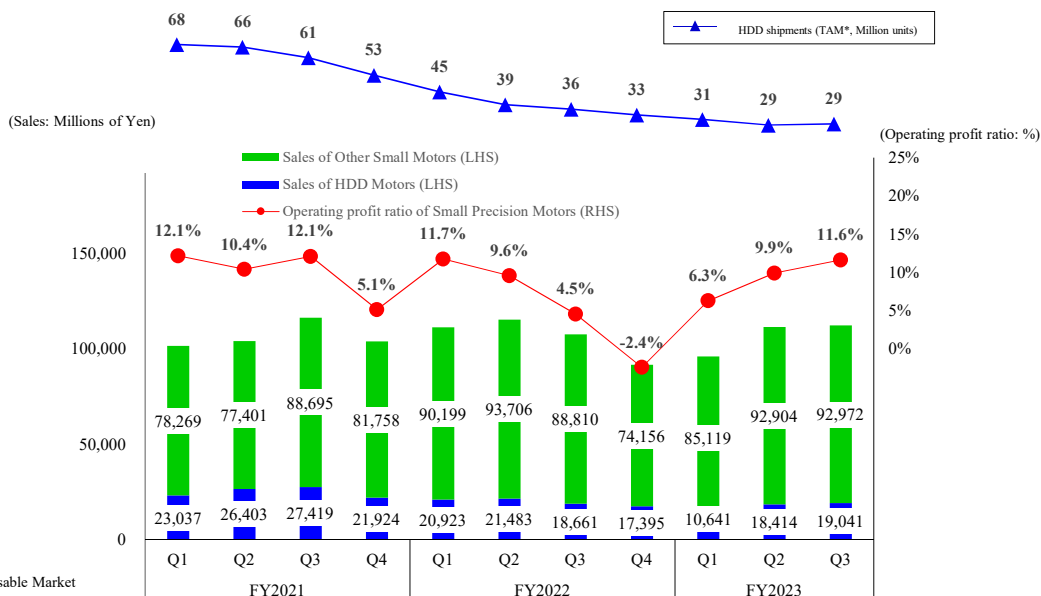


Model number with Nidec's motor is increasing

This slide includes forward-looking statements. See Disclaimer on Page 2.

Small Precision Motors: Quarterly Results

Preparing for mid-term growth while implementing WPR-X for short-term recovery



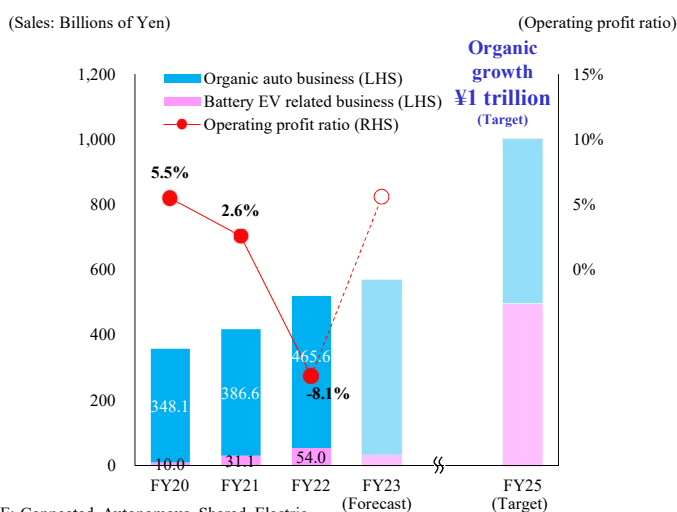
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Automotive: Strategy for High Growth

This slide includes forward-looking statements. See Disclaimer on Page 2.

Aiming to become No.1 automotive system company
by anticipating the strong electrification demand boosted by CASE* mobility trends

<Vision 2025 in Automotive>



CASE: Connected, Autonomous, Shared, Electric

<Battery EV related businesses>

- In FY2023, Nidec implemented a strategic shift to prioritize profitability, including limiting unprofitable orders.
- The market areas will be shifted from China centric to global including Europe and North America, and growth of sales and profits promoted strongly through supplying traction motors only and other components in addition to E-Axles.

<Organic auto businesses>

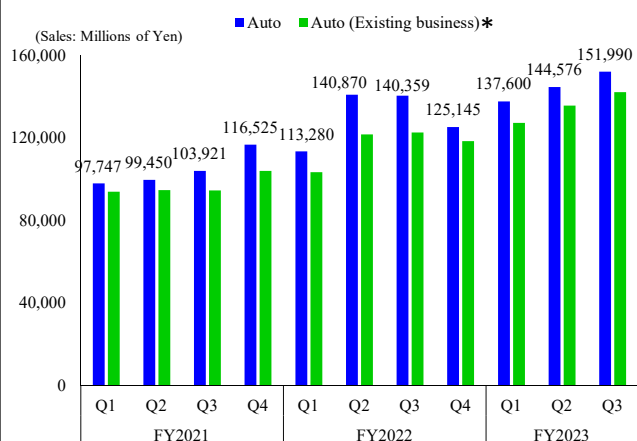
- Nidec will capture increasing demand for electrification and gain further market share for motors for electric power steering and electric brakes despite slower growth in global auto sales.

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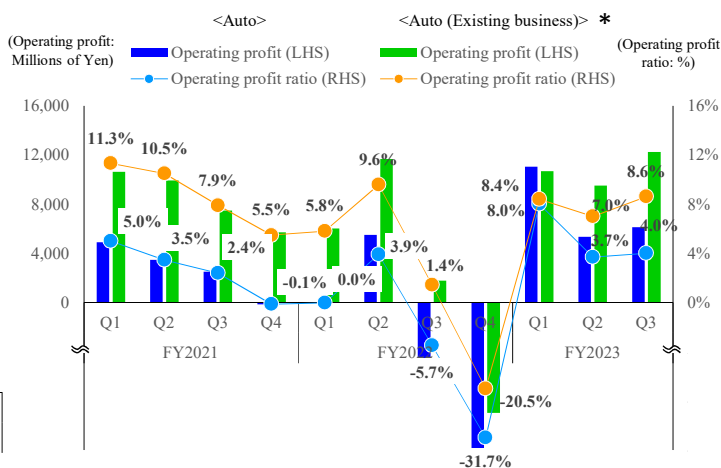
Automotive: Quarterly Results

Targeting a V-shaped recovery in FY23 after posting large structural reform expenses in the second half of FY22

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



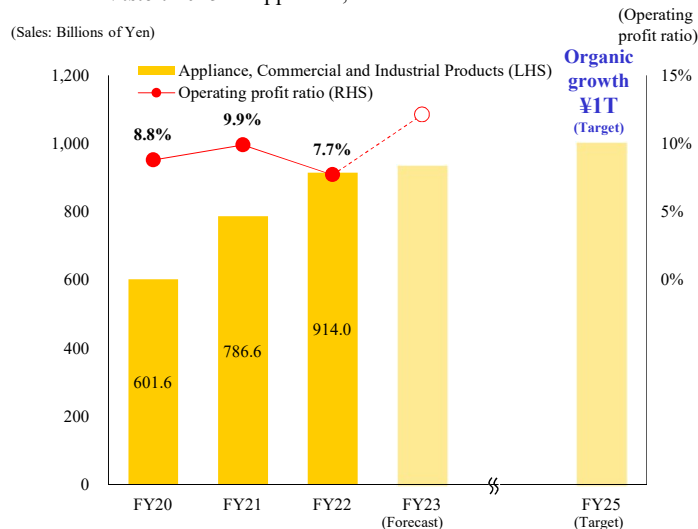
*Existing business: Excluding impact of Battery EV related business from Auto business

Appliance, Commercial and Industrial: Strategy for High Growth

This slide includes forward-looking statements. See Disclaimer on Page 2.

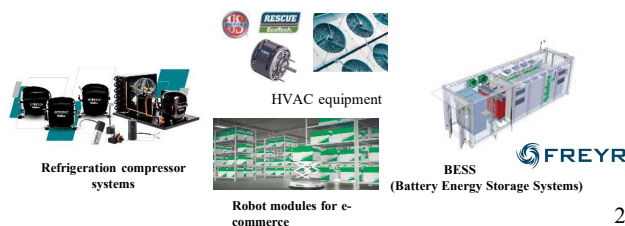
Realize high growth by capturing green innovation demand created by replacement with high-efficiency motors, etc.

<Vision 2025 in Appliance, Commercial and Industrial>



<Items to drive mid-term growth>

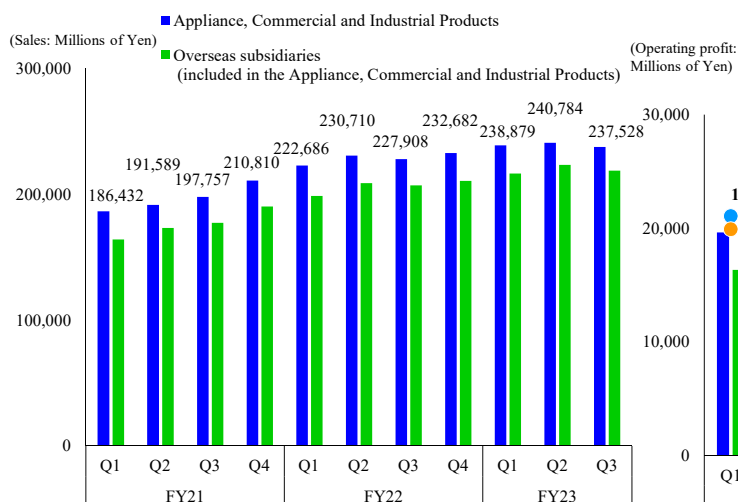
- Appliance area: We offer brushless DC motors for air conditioners, washing machines, dryers, dishwashers and compressors for refrigerators to meet the increasing demand for replacement with high-efficiency motors.
- Commercial area: Supply motors used for commercial air conditioners, and robot modules used for e-commerce.
- Industrial area: Focus on Battery Energy Storage Systems, essential systems in the renewable energy industry, and the joint venture business with FREYR, a semi-solid lithium-ion battery manufacturer.



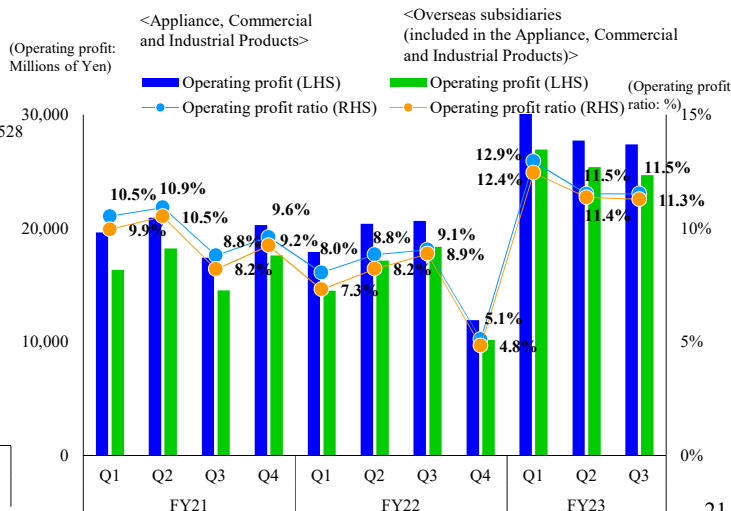
■ Appliance, Commercial and Industrial: Quarterly Results

Profitability of overseas subsidiaries improved
with a tailwind from generator and green energy markets

<Quarterly net sales>



<Quarterly operating profit and operating profit ratio>



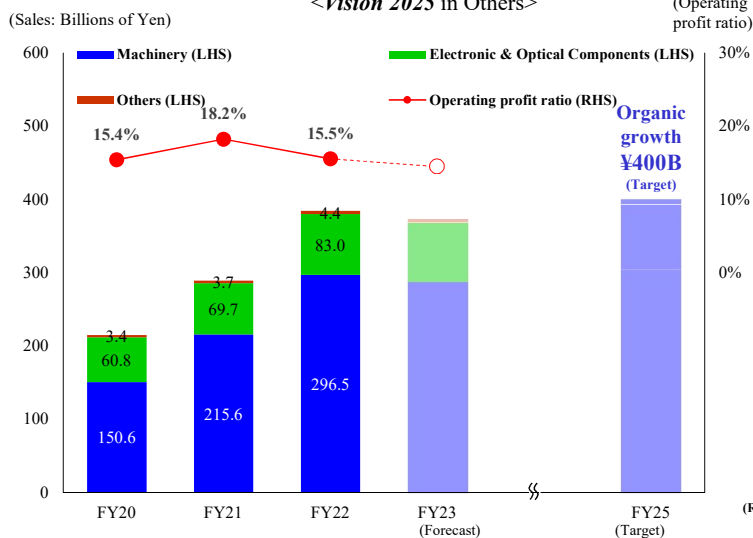
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■ Other Product Group: Strategy for High Growth

This slide includes forward-looking statements. See Disclaimer on Page 2.

Launching Machinery and Automation Business Unit in FY23
handling reducers, press machines and machine tools to drive the growth of machinery business

<Vision 2025 in Others>



<Items to drive mid-term growth>

- Sales target ¥500 billion in FY25 and ¥1 trillion in FY30 by Machinery and Automation Business Unit (Nidec Drive Technology*).
- Reducers: Gain bigger global market share of strain wave gears for collaborative robots. As for planetary gears, we set a new production base in Europe by utilizing unused facilities of Nidec Motors & Actuators in Spain.
- Press machines: Focusing on anti-plastic demands due to shift from plastic to canned bottles and growing demand for EV. Launch full product line from small and high-speed to large machines, and introduce related equipment.
- Machine tools: Expand product lineup and market area with a focus on the Chinese market to seek high growth. Nidec completed tender offer for Takisawa Machine Tool.



Production plant for gear cutting machines (Rental factory at Pinghu, China: From October 2022)



New factory for machine tools at Pinghu, China (Phase 1 construction was completed in June 2023)

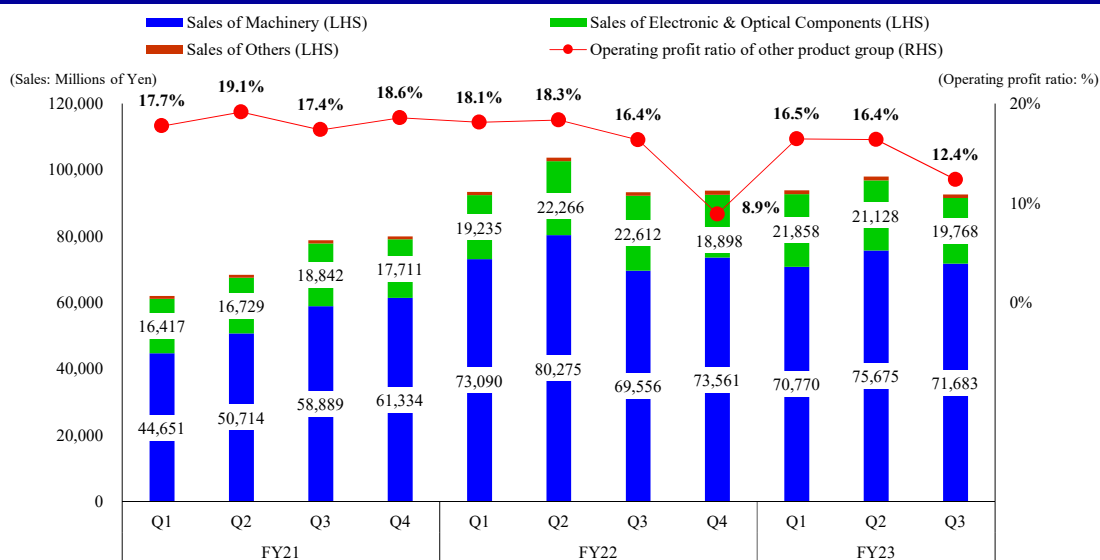
*Nidec Drive Technology: Formerly, Nidec-Shimpo

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Other Product Groups: Quarterly Results



Aiming to improve profitability in FY23
after posting structural reform expenses in Q4/FY22



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Notes:

NIDEC adopts the provisions of IFRS 3 “Business Combinations”.

During the three months ended December 31, 2023, NIDEC revised its valuation of the assets acquired and the liabilities assumed upon the share acquisition of PAMA S.p.A. NIDEC’s consolidated financial statements for the year ended March 31, 2023 reflect the revision of the initially allocated amounts of acquisition price as NIDEC revised the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2023 and the nine months ended December 31, 2023, the assets and liabilities which are currently under evaluation have been recorded on NIDEC’s consolidated statements of financial position based on provisional management estimation as of December 31, 2023.

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“All for dreams” logo is a registered trademark of Nidec Corporation in Japan, and a trademark in the United States and/or certain other countries.

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Performance Trends & Product Group Overview



New 5 Big Waves in a Post-Pandemic World

Nidec's business solutions that solve the common problems of humankind

Fan
5G & Thermal solutions
(Keywords: Tactile sense, image stabilization and heat ventilation module)

Vapor chamber
Heat pipe

eVTOL
(electric Vertical Take-Off Landing vehicles)

Traction motor
Traction motor system (E-Axle)

Reducer
Motor for drones

Automated guided vehicle
Manpower saving
(Keywords: Industrial robots, servicing robots and logistics)

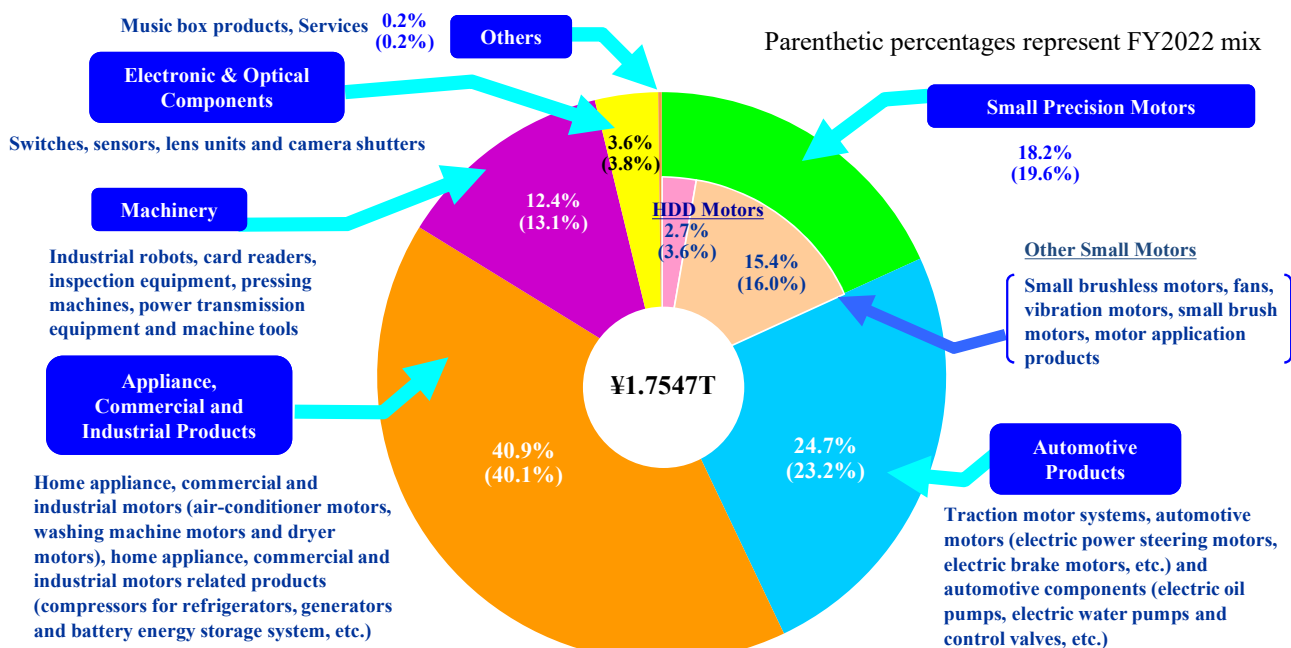
Nearline HDD motor
Digital data explosion
(Keywords: High speed / large data, GAFA* and "Stay Home")

Refrigerator compressor
Power saving
(Keywords: Sterilization, hygiene and "Stay Home")

Home appliance motor

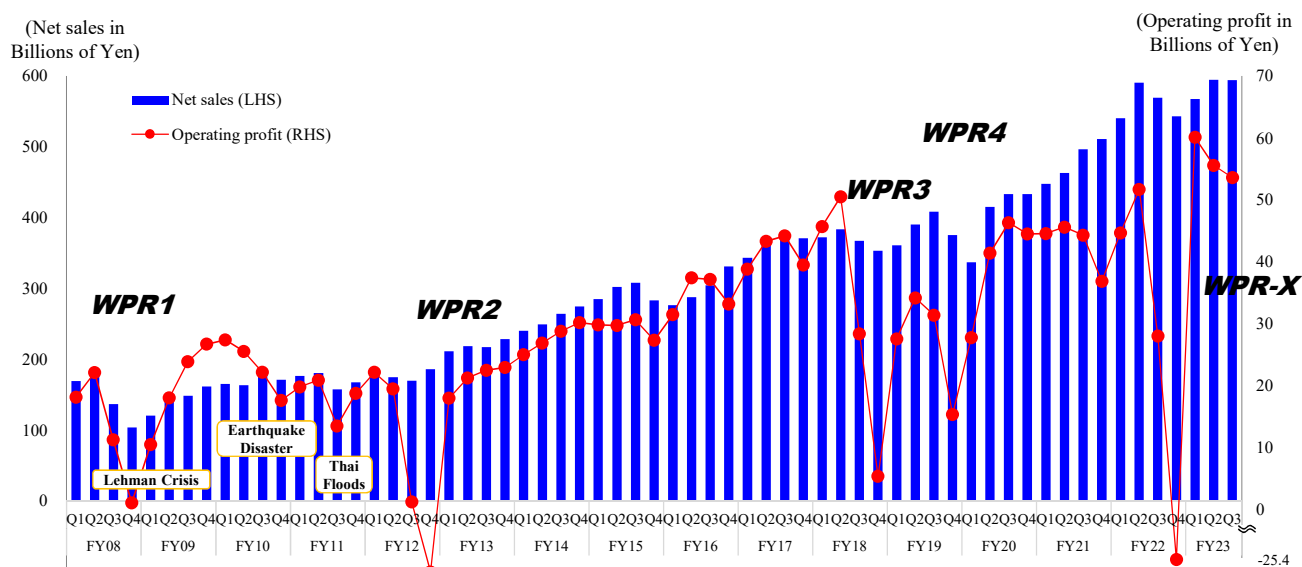
* GAFA: Google, Apple, Facebook and Amazon

Sales by Product Group (Apr-Dec FY2023)



Consolidated Quarterly Net Sales and Operating Profit

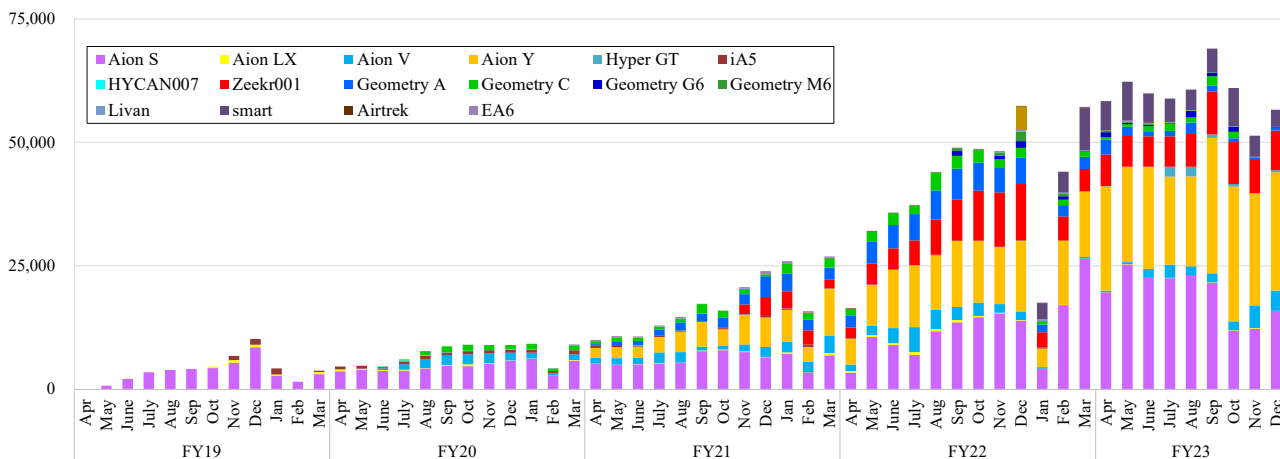
Aiming to achieve V-shaped recovery in FY23 after structural reform through *WPR-X* in FY22



Automotive: Sales of Vehicles with Nidec's E-Axle

Sales of vehicles using our E-Axle grew
90% in FY20, 140% in FY21 and 138% in FY22 YoY

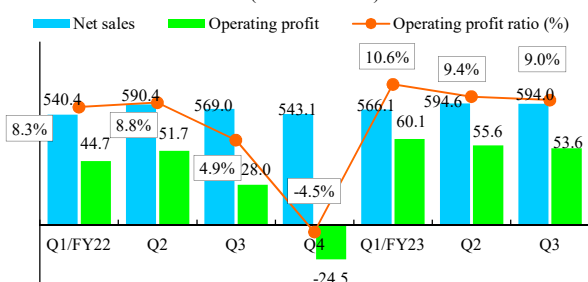
(Units) <Auto sales of cars adopting Nidec's E-Axle> (Source: Marklines)



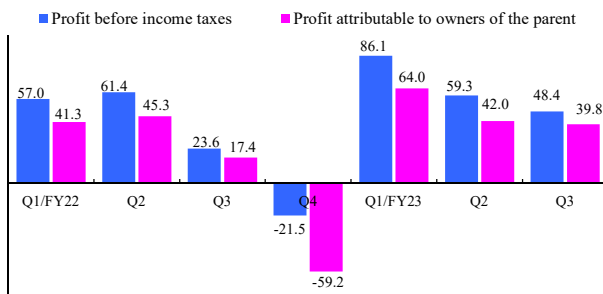
Financial Highlights

*Please refer to Notes on Page 24.

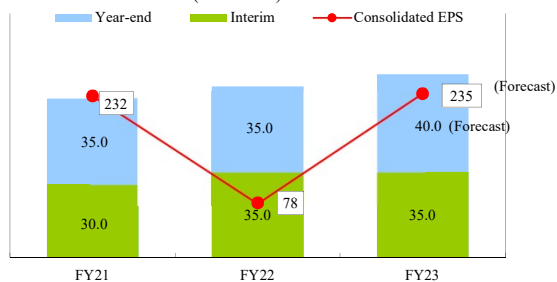
<Consolidated Net Sales and Operating Profit> (Billions of Yen)



<Profit Before Income Taxes and Profit Attributable to Owners of the Parent> (Billions of Yen)



<Dividends and EPS> (Yen/share)



<Consolidated Cash Flow> (Billions of Yen)

