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## Nidec Corporation

### Results for the Fiscal Year 2006

< U.S. GAAP >

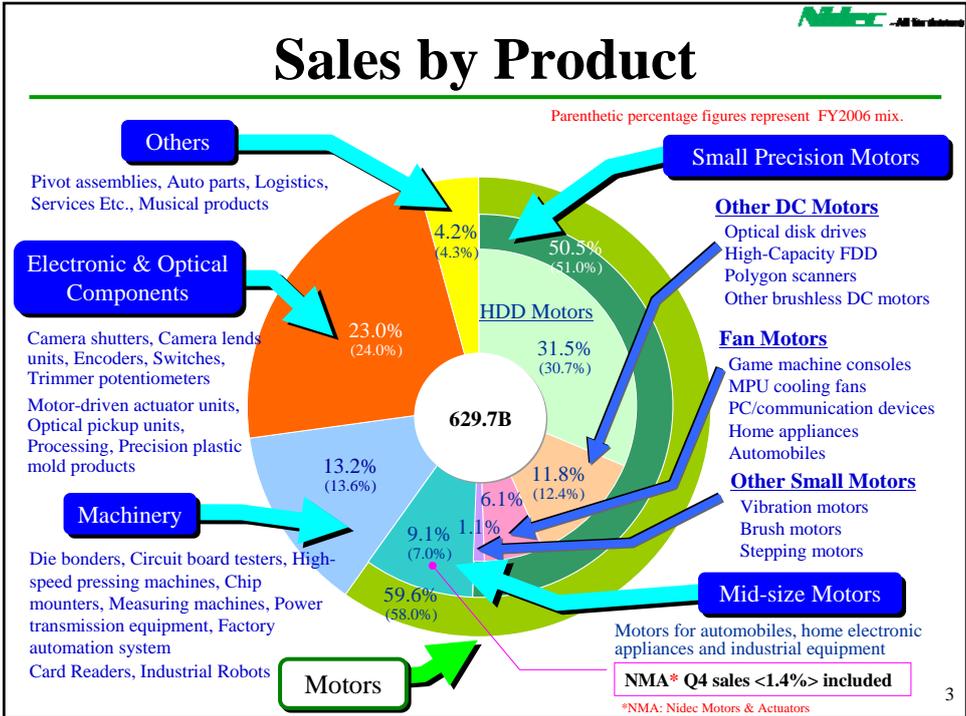
April 26, 2007

This presentation material and our statements made during the Meeting regarding the Nidec Groups' financial results contain forward-looking statements including expectations, judgement, plans, and strategies. The forward-looking statements are based on management's assumptions and belief 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 factors include, but are not limited to: fluctuation of currency exchange rates, overall supply and customer demand in the motor industry, product development and production capabilities, performance of affiliated companies, and other risks and uncertainties. Nidec undertakes no obligation to update forward-looking statements to reflect events or circumstances that occur after the date

## Summary of FY2006

- ✓ **Sales: Record High (Up 17.3% Y/Y)**
- ✓ **Operating income: Record High (Up 19.8% Y/Y)**  
---“Mid-size Motors” Back to Profitability.
- ✓ **Income before tax: Up 1.9% Y/Y**  
--- Foreign exchange gain decreased.
- ✓ **Net income: Down 2.5% Y/Y.**  
--- Additional tax of 2.9B yen based on transfer price taxation
- ✓ **Term-end dividend: 25 yen per share**  
**Annual dividends: 45 yen per share**  
**Dividend ratio: 16.3%**

2



3

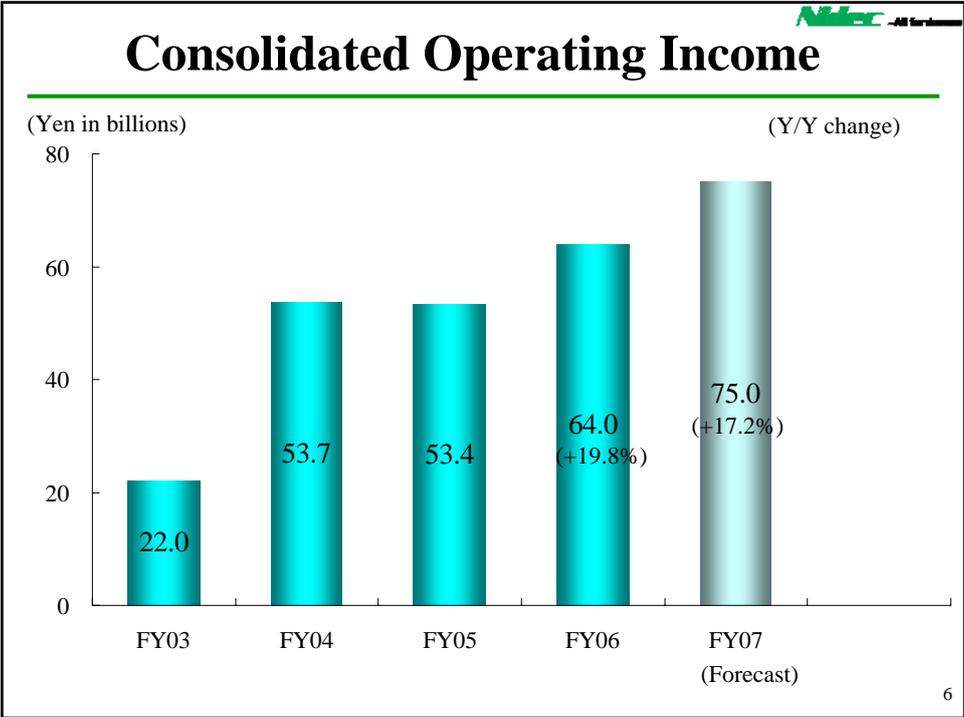
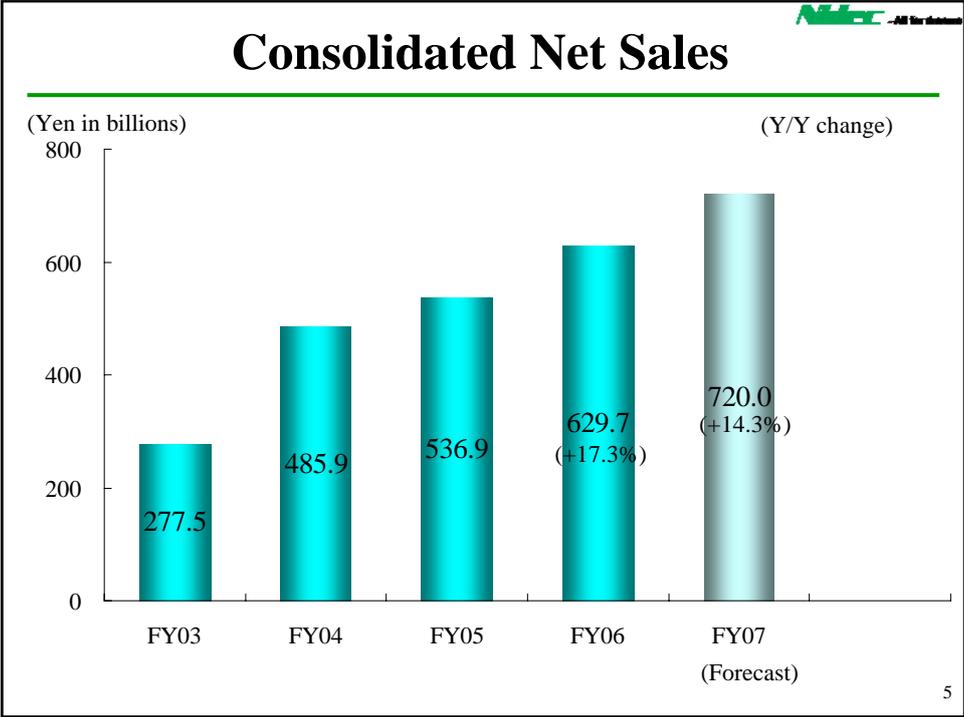
## Profit/Loss

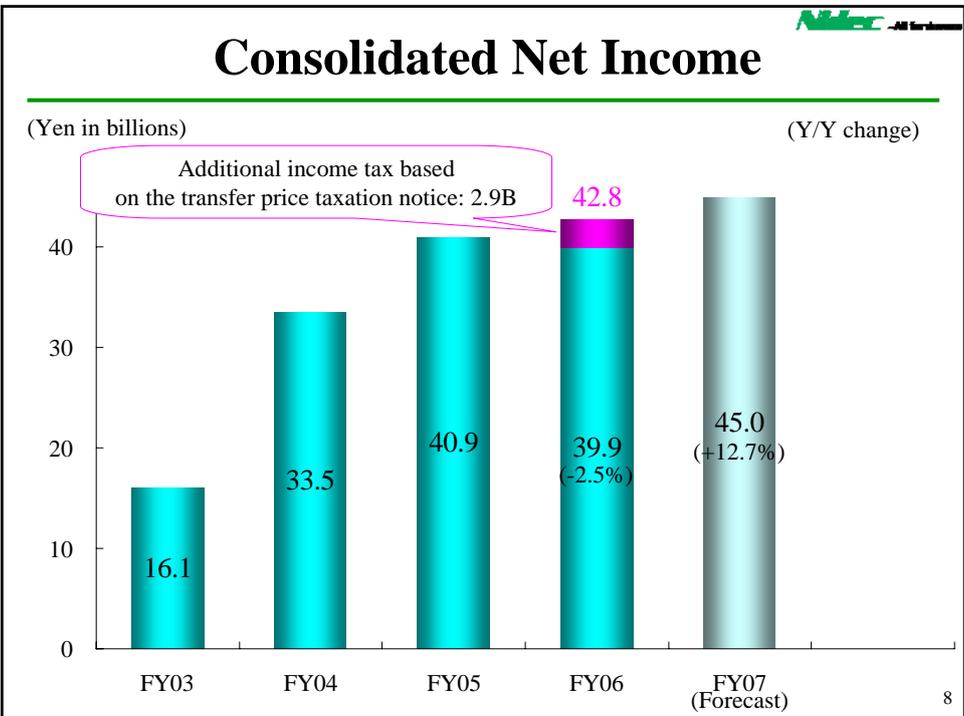
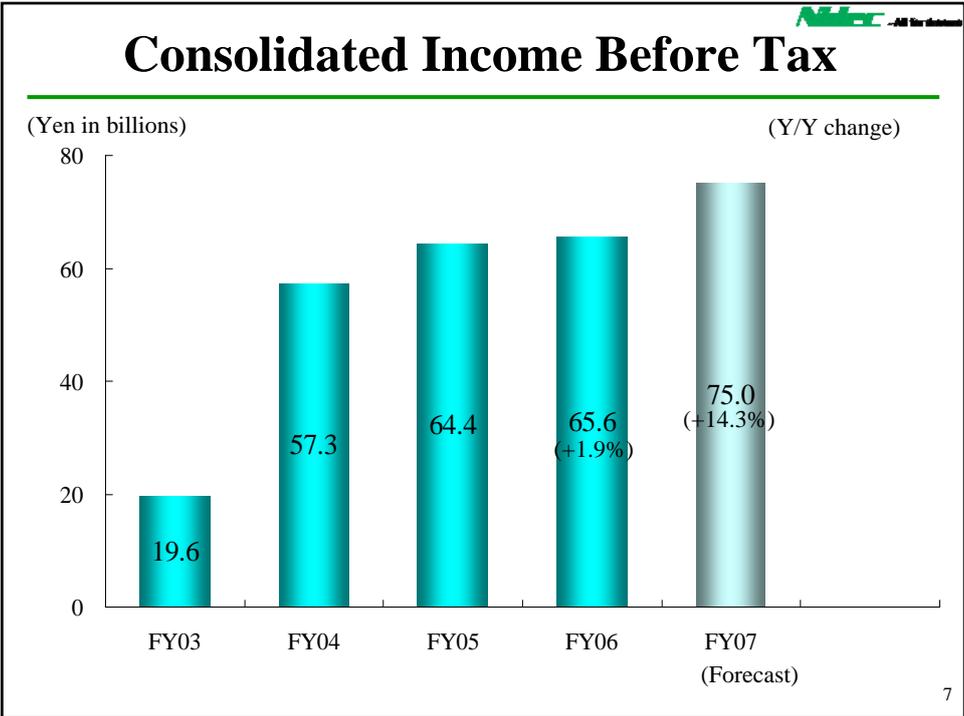
(Yen in millions)	FY05	FY06	Change	FY07 Forecast
Net Sales	536,858	629,667	+17.3%	720,000
Operating Income	53,426	64,009	+19.8%	75,000
Operating Income Ratio	10.0%	10.2%		10.4%
Income before Tax	64,378	*1 65,595	+1.9%	75,000
Net Income	40,949	*2 39,932	-2.5%	45,000
EPS	285.47	276.03	-3.3%	310.91
FX (Yen/US\$)				
Average---	113.31	117.02	+3.3%	
Term-end---	117.47	118.05	+0.5%	

**\*1 FX gain decreased by 6.1 billion Yen**

**\*2 Additional tax based on transfer price taxation notice: 2.9B Yen**

4



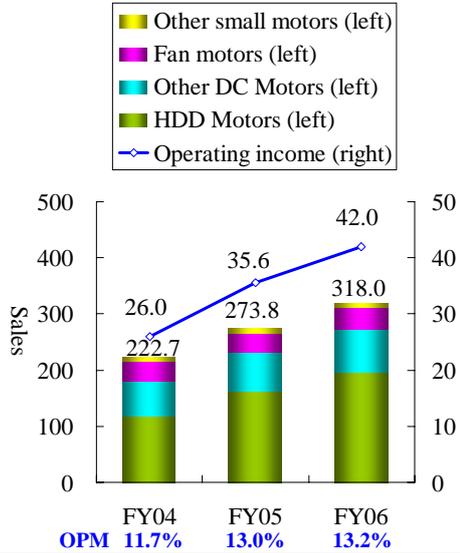


# Business Segment Results---1

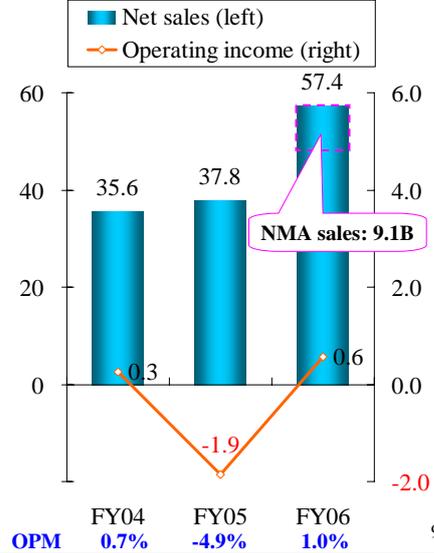
## <Small Precision Motors, Mid-size Motors>

(Yen in billions)

### Small Precision Motors



### Mid-size Motors

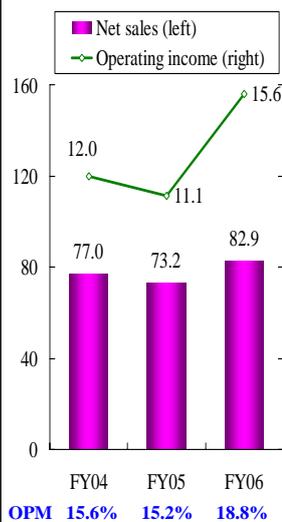


# Business Segment Results---2

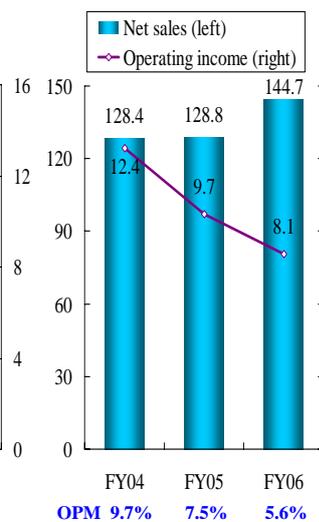
## <Machinery, Electronic & Optical Components, Others>

(Yen in billions)

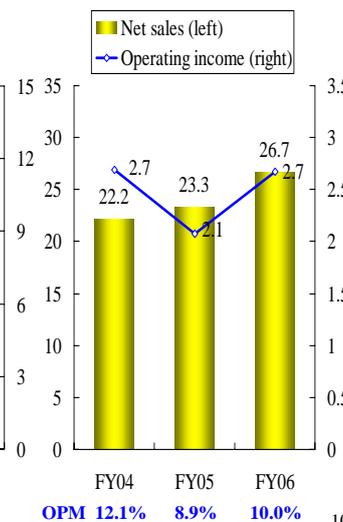
### Machinery



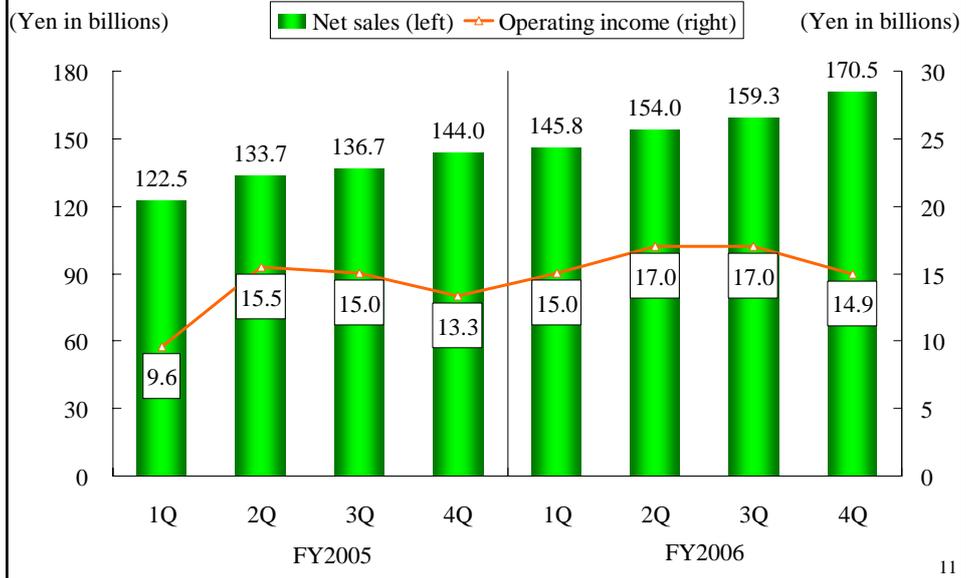
### Electronic/Optical Components



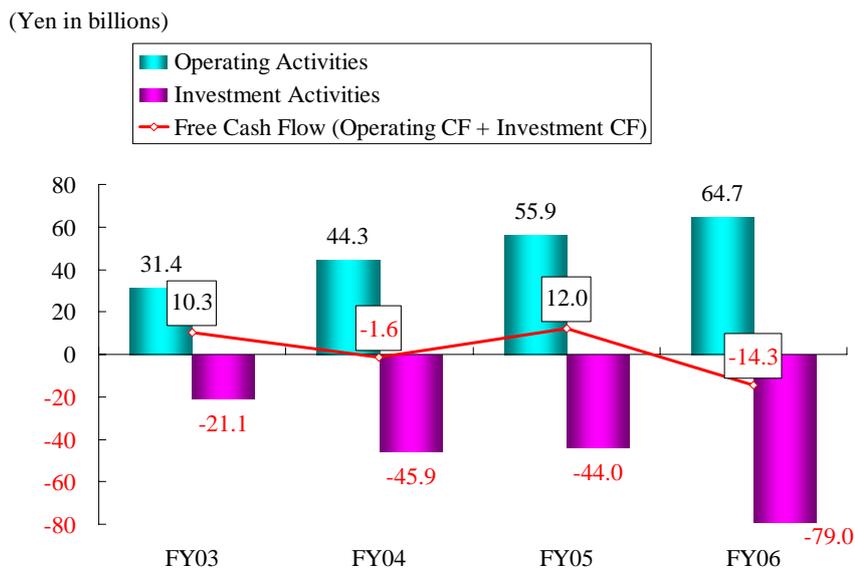
### Others



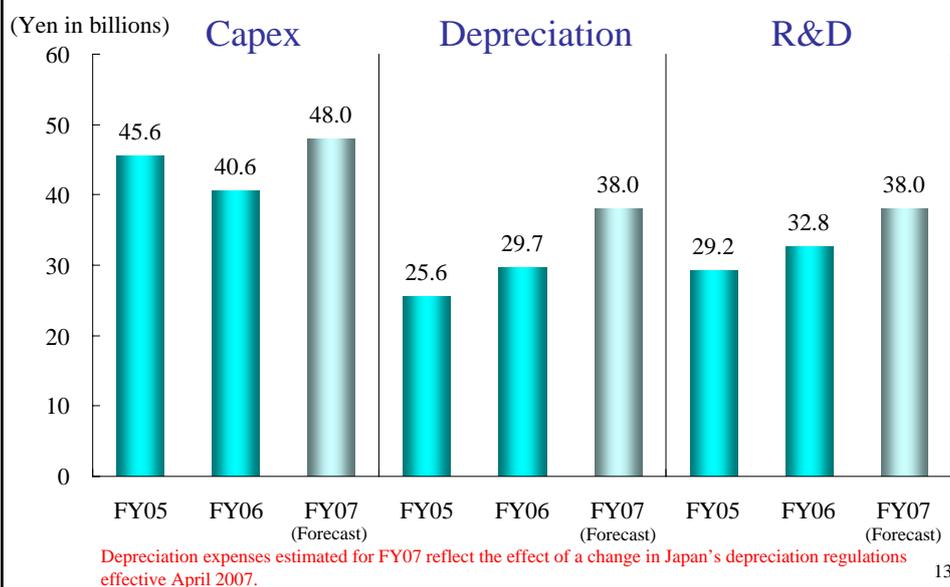
# Consolidated Quarterly Results



# Consolidated Cash Flow



## Capex, Depreciation and R&D



13

## FY2007 Forecast

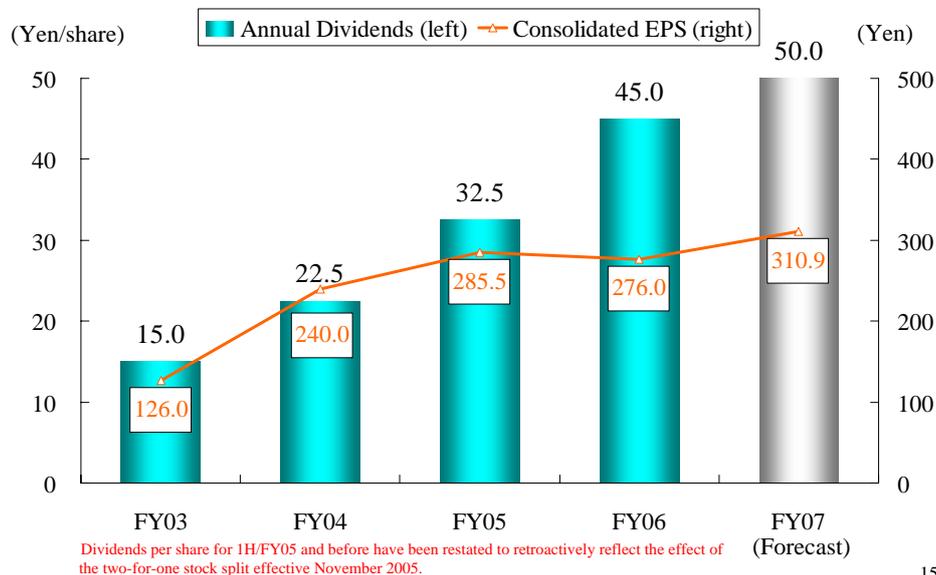
(Yen in millions)

	1H Forecast	2H Forecast	Full-year Forecast
Net Sales	340,000	380,000	720,000
Operating Income	32,000	43,000	75,000
Operating Income Ratio	9.4%	11.3%	10.4%
Income before Tax	32,000	43,000	75,000
Net Income	20,000	25,000	45,000
EPS	138.18	172.73	310.91
FX (Yen/US\$) Ave.	115.00	115.00	115.00

Calculated on the basis of the revised depreciation regulations in Japan effective April 2007.

14

## Dividends and EPS



## Consolidated Subsidiaries -Results and Forecasts-

(Yen in millions)	Net Sales			Operating Income			Net income		
	FY05 Results	FY06 Results	FY07 Forecasts	FY05 Results	FY06 Results	FY07 Forecasts	FY05 Results	FY06 Results	FY07 Forecasts
Nidec Sankyo	121,994	112,628	105,000	12,151	9,439	8,000	12,672	10,287	6,000
Nidec Copal	63,094	84,012	86,000	5,006	5,827	6,500	2,660	4,304	4,000
Nidec Tosok	26,518	23,430	22,500	1,905	1,809	1,800	1,095	1,182	950
Nidec Copal Electronics	22,599	26,759	32,000	3,628	3,473	3,800	2,560	2,280	2,300
Nidec-Read	6,181	7,716	8,300	984	1,549	1,650	628	938	1,000
<b>Total</b>	<b>240,386</b>	<b>254,545</b>	<b>253,800</b>	<b>23,674</b>	<b>22,097</b>	<b>21,750</b>	<b>19,615</b>	<b>18,991</b>	<b>14,250</b>

\*All numbers in the above table have been prepared under the generally accepted accounting standard in Japan

# Business Segment Information

## Small Precision Motors

- HDD Motors
- Other DC Motors
- Fan Motors
- Mid-size Motors
- Machinery
- Electronic & Optical Components
- Others

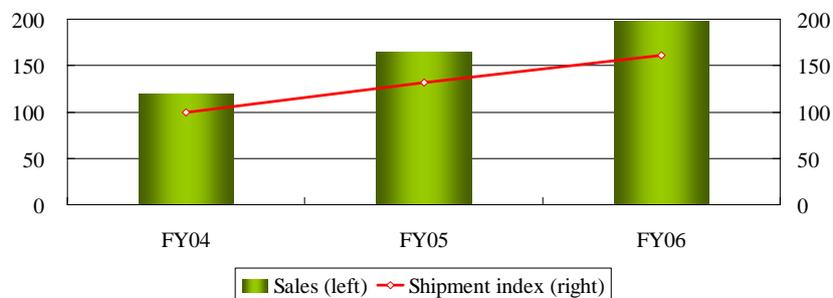
## HDD Motors: FY2006 Results

### v Record Sales and Shipments

- ┌ Sales and shipments up 20% y/y and 22% y/y, respectively
- ┌ Market share expansion and 2.5-inch demand growth

(Yen in billions)

(FY04=100)

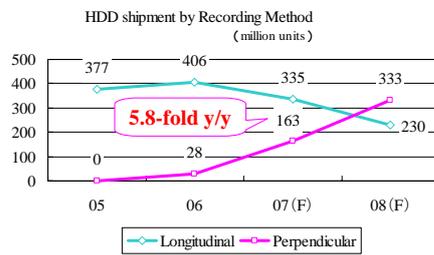
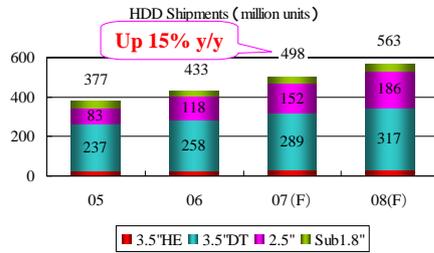


18

# HDD Motors: Strategy-1

## Stable Sales Growth

- **PC & CE market**  
[2007 outlook]
  - 3.5" 12% y/y growth
  - 2.5" 30% y/y growth
- **PMR Penetration**
  - Facility/quality enhancement geared for new product launch
  - Bolstering of R&D capacities in Nagano, Japan



Source: TSR, 2007

19

# HDD Motors: Strategy-2

## Grand Design for Higher Profitability

- **In-house manufacturing**
  - Ramp up base plate supply from Brilliant Mfg.
  - Gear up New Thailand factory (NPT-2) for full-fledged operation
- **Product differentiation**
  - Leverage own technology and expertise (eg: sintered metal bearing, automatic manufacturing system)
  - Enforce patent rights to maintain technical/ product competitiveness



NPT-2: Nidec Precision (Thailand), 2<sup>nd</sup> factory



HDD base plate

HDD bracket



Completion: August-end, 2007



Sintered-metal bearing



Automatic mfg. line

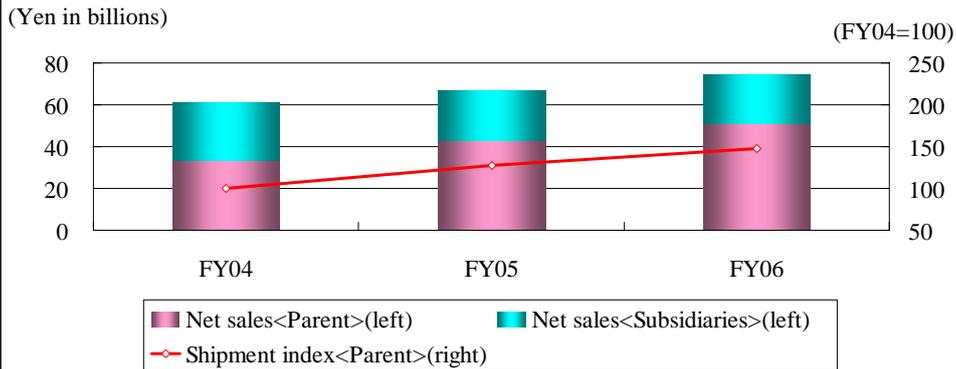


20

## Other DC Motors: FY2006 Results

### Record sales and shipments

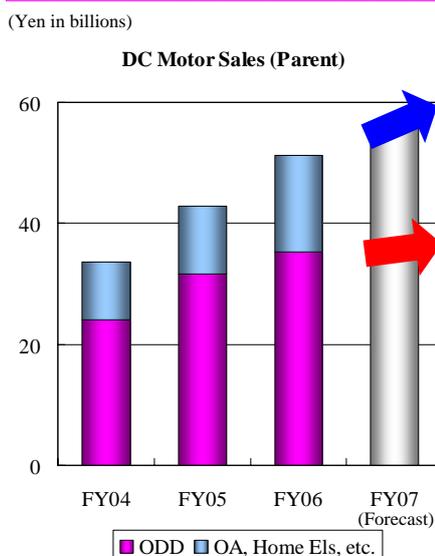
- ┌ Sales of ODD motors up 12% y/y (Parent)
- ┌ Combined sales of office equipment motors and other standard-type motors up 41% y/y (Parent)



21

## Other DC Motors: Strategy

### New market & New customer



### OA, Home Electronics, etc.

- Sales targeted at markets for OA equipment and upscale home electronics
- Standard-type motor sales channel expansion



### Optical Disk Drive

- Dominant market share
  - New-generation DVD market
  - Slim-type DVD

22

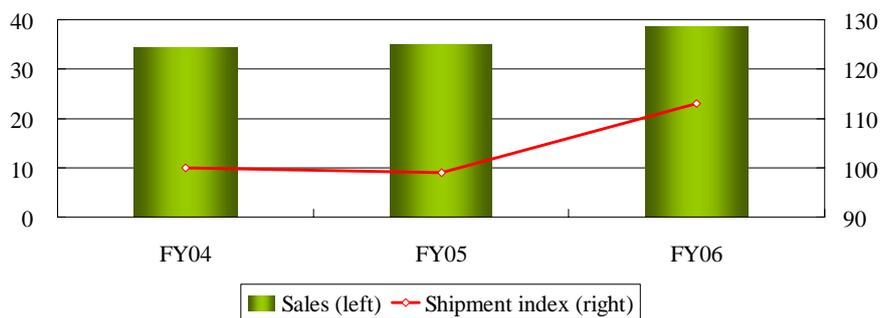
## Fan Motors: FY2006 Results

### Record sales and shipments

- } Sales and shipments increased over 10% y/y
- } Overseas market & game console market

(Yen in billions)

(FY04=100)

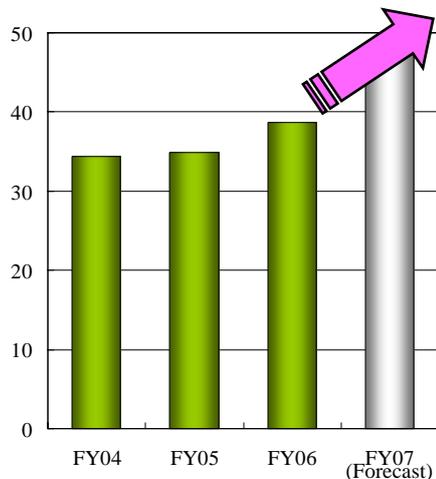


23

## Fan Motors: Strategy

### New market & New customer

Fan motor sales (Yen in billions)



### UltraFlo (23 standard models)

Targets:

- North American customers
- Taiwan OEM
- PC, communications devices, automobiles

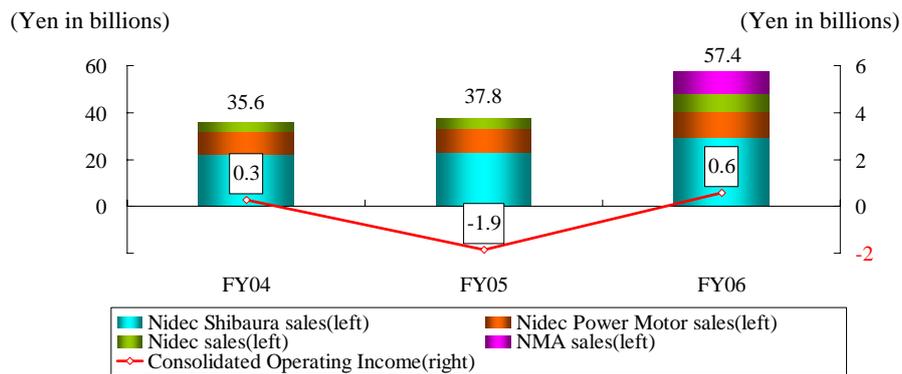


24

## Mid-size Motors: FY2006 Results

### ✓ Back to profitability with sales growth and cost reduction

- ┌ Automotive motor sales up 66% y/y (excluding NMA sales)
- ┌ Combined sales of home appliance motors and industrial motors up over 20% y/y
- ┌ Sales contribution from NMA (consolidated in Q4/2007)



25

## Mid-size Motors: Strategy

### ✓ Full integration of NMA

- ┌ Streamlining of production bases
- ┌ Sharing of R&D/production resources



NMA, Poland

### ✓ Profit increase

- ┌ Demand rise in home appliance market
- ┌ Product innovation
- ┌ Management improvement



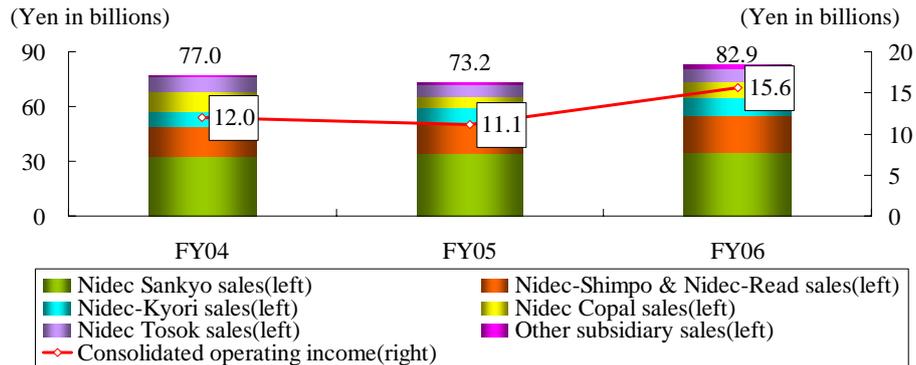
Motor for up scale home electric appliance

26

## Machinery: FY2006 Results

### Record sales and operating income

- 13% y/y sales increase driven by active capital investment
- 40% operating income increase y/y



27

## Machinery: Strategy

### Industrial robots

- 10G LCD-panel transfer robot  
⇒ **First to market**
- Semiconductor-wafer transfer robot  
⇒ **Larger production scale**

### Factory automation

- Nidec-Shimpo  
Power transmission drive
- Nidec-Kyori  
High-speed press



10G LCD-panel transfer robot



Power transmission drives



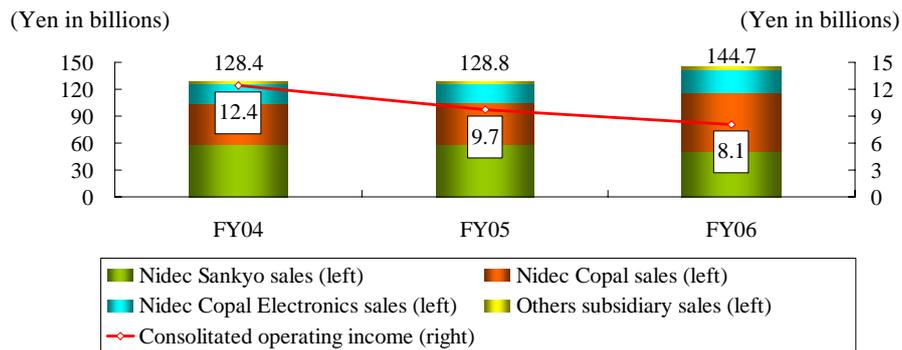
High-speed press

28

## Electronic & Optical Components: FY2006 Results

### v Record sales, but operating income declined.

- └ Sales of optical components and precision parts surged, driven by robust digital camera demand
- └ Rush orders lagged cost improvement

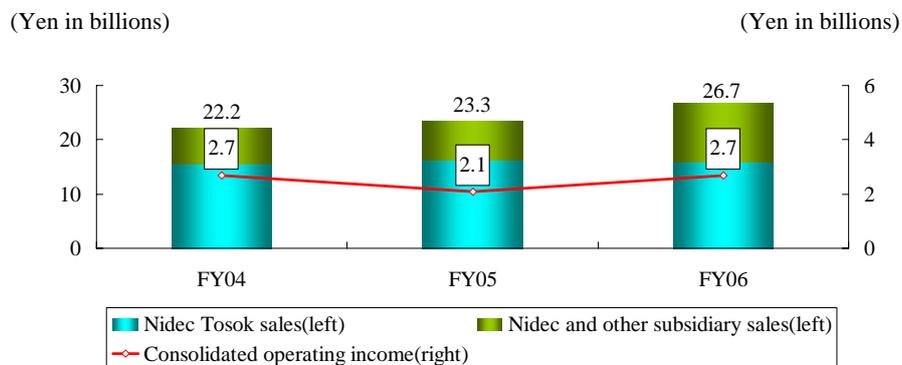


29

## Others : FY2006 Results

### v Record Sales

- └ Sales of HDD pivot assemblies soared 60% y/y
- └ Operating income ratio returned to the double-digit mark



30

## Electronic & Optical Components and Others: Strategy

### Electronic & Optical Components

### Others

✓ **Optical component**

⇒ **Output expansion & speedy profit improvement**

- └ Shutter & lens unit for DSC/Cellular phone

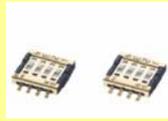
✓ **Industrial switch**

⇒ **Market share expansion**

- └ Sales/production synergy with Fujisoku



DSC lens units



Industrial switches

✓ **Automobile component**

⇒ **Profit improvement**

- └ CVT control valve production in Vietnam

✓ **HDD pivot assembly**

⇒ **Output expansion**

- └ 3.5", 2.5" market growth



CVT control valve

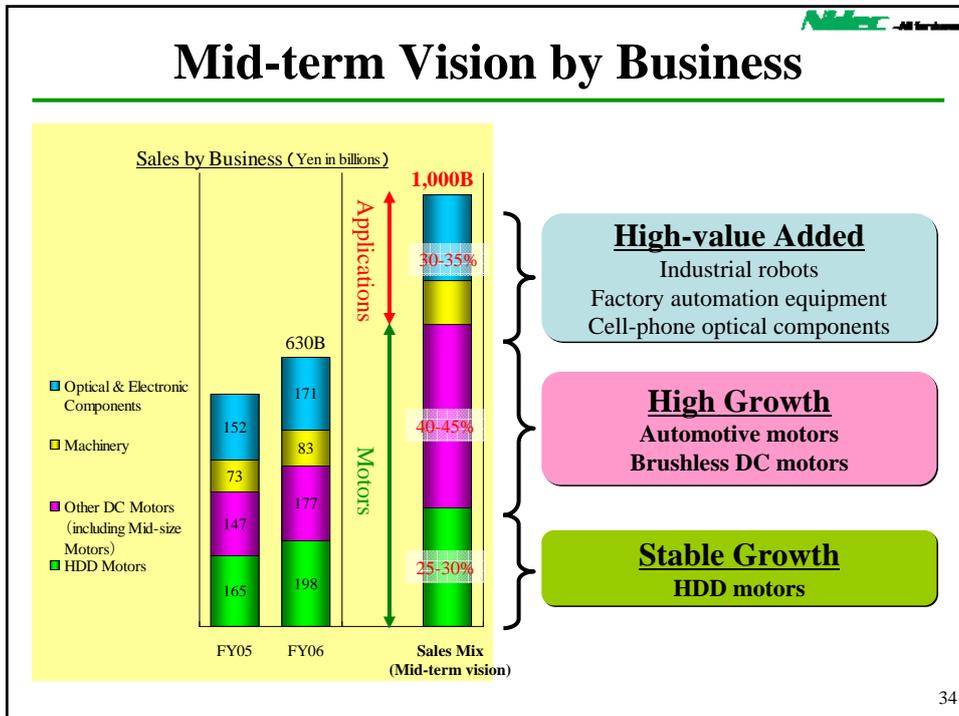
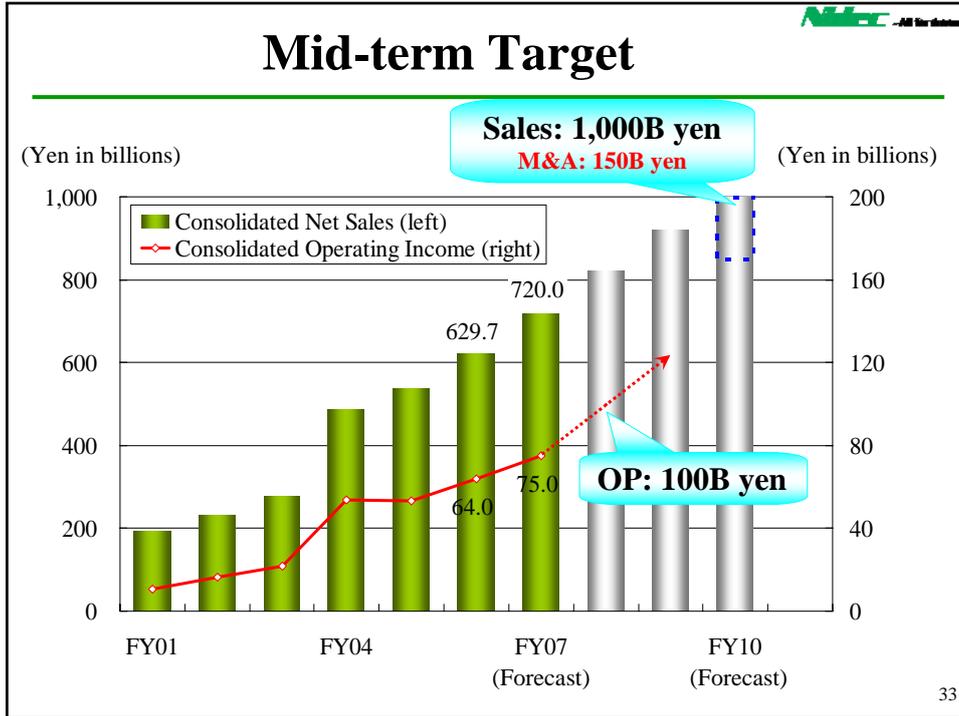


HDD pivot assemblies

31

**Mid-term Target**  
(~ FY2010)

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# Focus Areas

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## High-value Added

Industrial robots  
 Factory automation equipment  
 Cell-phone optical components

- High-profit product strategy
- New market exploration

## High Growth

Automotive motors  
 Brushless DC motors

- R&D/production efficiency
- Standard-design product portfolio expansion

## Stable Growth

HDD motors

- In-house HDD parts production
- Product differentiation based on own technology and patent strategy
- 10% annual growth
- OPM improvement

## M&A Targets

Competitors  
 Suppliers

Competitors  
 Suppliers  
 (in the auto industry)

Suppliers  
 (with supporting technology)

# M&A Activities

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## Fujisoku, Valeo Motors & Actuators

	Fujisoku	Valeo Motors & Actuators (now Nidec Motors & Actuators)
Acquisition Date	November 8, 2006	December 27, 2006
Acquisition Price	Approx. 0.9B yen	142M euros, or, 22B yen
Capital %	98.8%	100%
Consolidated Annual Results (Fiscal Year-end)	Sales: 7.1B yen OP: 0.4B yen (March 31, 2006)	Sales: 253M euros, or, 39B yen OP: 9M euros, or, 1.4B yen* (December 31, 2005)
Employees	212	1,700
Products	Switch, Memory card, Panel switch, Measuring equipment 	Air flow system, Seat positioning system, Body closure system, Braking, Drive-line, Steering system 
Main Production Bases	Japan	Germany, Poland, Spain, Mexico
Notes	New parent: Nidec Copal Electronics	*After deduction of extraordinary items: negative 4M euros, or, negative 0.6B yen

37

## Brilliant Manufacturing, Japan Servo

	Brilliant Mfg.	Japan Servo
Acquisition Date	February 23, 2007	April 27, 2007(scheduled)
Acquisition Price	S\$ 170M (13.4B yen)	4.7B yen
Capital %	87.1%	51.0%
Consolidated Annual Results (Fiscal Year-end)	Sales: S\$131M, or, 10.3B yen OP: S\$2M, or, 0.1B yen (September 30, 2006)	Sales: 28.6B yen OP: Negative 0.7B yen (March 31, 2006)
Employees	2,950	4,250
Products	HDD base plate, Bracket, Top cover 	Motor (Brushless, AC servo, Stepping), Motor applications (Sensor) 
Main Production Bases	Singapore, Indonesia, Thailand, China	Japan, Singapore, Indonesia, China
Notes	Singapore Exchange	Tokyo Stock Exchange (2 <sup>nd</sup> Section)

38



## Nidec Corporation

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<http://www.nidec.co.jp/english/>

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