



## Third Quarter Fiscal 2012 Results

### Three and Nine Months Ended December, 31, 2012

< U.S. GAAP >



January 24, 2013

## Note & Disclaimer

### Note Regarding Change in Product Category Name and Regrouping of Products

1. The product category formerly named "General Motors" has been renamed "Automotive, Appliance, Commercial and Industrial products."
2. Nidec Tosok's automobile parts previously grouped into the "Others" category now fall into the "Automotive, Appliance, Commercial and Industrial products" category. Also, motor application products previously grouped into the "Electronic and Optical Components" category now belong to the "Small Precision Motors" category. Financial figures reported in prior years have been retrospectively adjusted to reflect this product regrouping.

### Disclaimer Regarding Forward-looking Statements

These presentation materials and the subsequent discussions regarding the Nidec Groups' financial results contain forward-looking statements including expectations, judgment, 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 the forward-looking statements are made.

## Consolidated Profit/Loss

Millions of Yen, except EPS and FX Rates	3Q FY2011 (Apr-Dec)	3Q FY2012 (Apr-Dec)	Change (%)	FY2012 Forecast
<b>Net Sales</b>	514,733	523,210	+1.6%	690,000
<b>Operating Income</b> (Operating Income Ratio)	54,295 (10.5%)	44,702 (8.5%)	-17.7%	20,000 (2.9%)
<b>Income before Tax</b>	48,793	39,512	-19.0%	12,500
<b>Net Income</b>	31,654	28,216	-10.9%	4,500
<b>EPS</b>	229.86	209.60	-8.8%	33.37
<b>FX Rates (Yen/US\$)</b>				
<b>Average:</b>	79.01	80.00	+1.3%	85.00
<b>Term end:</b>	77.74	86.58	+11.4%	(Assumed 4Q rate applied)

Average exchange rate of the Japanese yen for the nine months of FY2012 depreciated about 1% (or 0.99 yen) against the U.S. dollar Y/Y and appreciated about 8% (or 8.47 yen) against the euro Y/Y, resulting in a positive effect on net sales of 1 billion yen and a negative effect on operating income of 0.8 billion yen.

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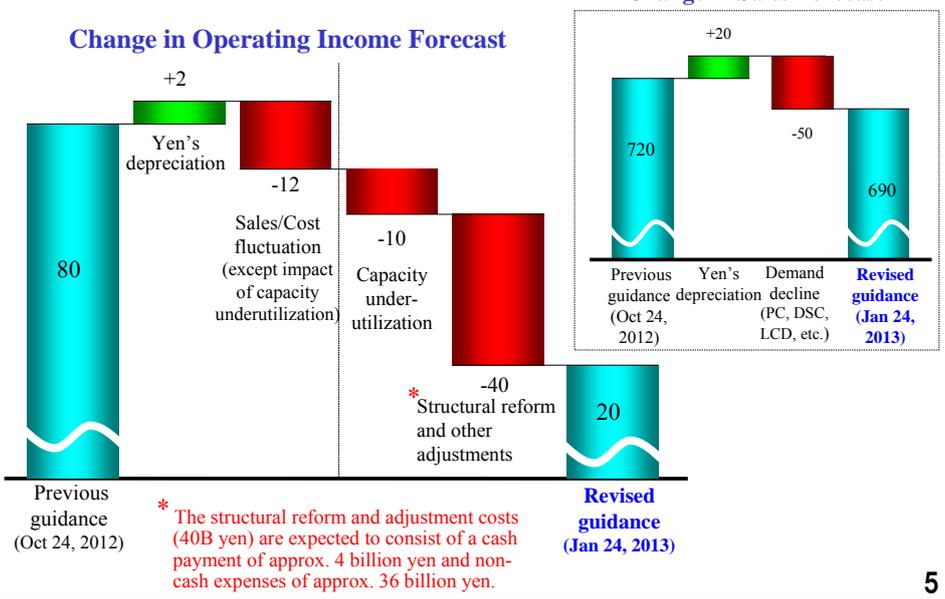
## Downward Revision on FY2012 Guidance

(Billions of Yen, except EPS, dividend per share and FX rate)	<Previous Guidance>		(A)	(B)	(A-B)
	FY2012 Forecast Announced on		Revised FY2012 Guidance	Apr-Dec FY2012 Results	Jan-Mar FY2012 Forecast
	Apr 24, 2012	Oct 24, 2012			
<b>Sales</b>	780	720	690	523.2	166.8
<b>Operating Income</b>	95	80	20	44.7	-24.7
<b>Operating Income Ratio</b>	12.2%	11.1%	2.9%	8.5%	-
<b>Income Before Tax</b>	87	71	12.5	39.5	-27.0
<b>Net Income</b>	57	50	4.5	28.2	-23.7
<b>EPS (Yen)</b>	416.56	370.45	33.37	209.60	-176.23
<b>Dividend (Yen)</b>	95	95	80	-	-
<b>Assumed FX Rate (Yen/US\$)</b>	80	78 <small>(Assumed 2Q and 2H rates applied)</small>	85 <small>(Assumed 4Q rate applied)</small>	80 <small>(Nine-month average rate applied)</small>	85 <small>(Assumed 4Q rate applied)</small>

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## Revision to FY2012 Guidance

(All figures in billions of Yen)



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## Reforming Profit Structure and Other Adjustments

- Underutilized Capacity in Weak Demand Environment
  - ➔ Optimize manufacturing capacity
- Continuing Market Volatility
  - ➔ Timely Production Adjustments and Inventory Optimization
- Labor Productivity
  - ➔ Streamline factory workforce
- Additional adjustments may include temporary expenses based on fair value revaluation of assets.

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## Immediate Actions

	Operations	Companies involved
Small Precision Motors	PC Applications (HDD/ODD, etc.), Printers, Office equipment	Nidec Corp. Nidec Component Technology Nidec Sankyo Nidec Servo Nidec Seimitsu
Electronic and Optical Components	Digital camera lens and shutters	Nidec Copal Nidec Sankyo
Appliance, Commercial and Industrial Products	Production optimization to facilitate synergy with newly consolidated subsidiaries	Nidec Motor Corp. Nidec Sole Motor ASI Kinetek Avtron
Machinery	LCD glass substrate transfer robots, PC components inspection equipment	Nidec Sankyo Nidec-Read

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## ***WPR™ Part2***

*WPR* was named by Shigenobu Nagamori of NIDEC CORPORATION based on his unique business management method in 2008.

*WPR™* is a trademark of NIDEC CORPORATION in Japan.

*WPR* © Shigenobu Nagamori NIDEC CORPORATION 2008

**Nidec** -All for dreams-

## WPR™ Part2

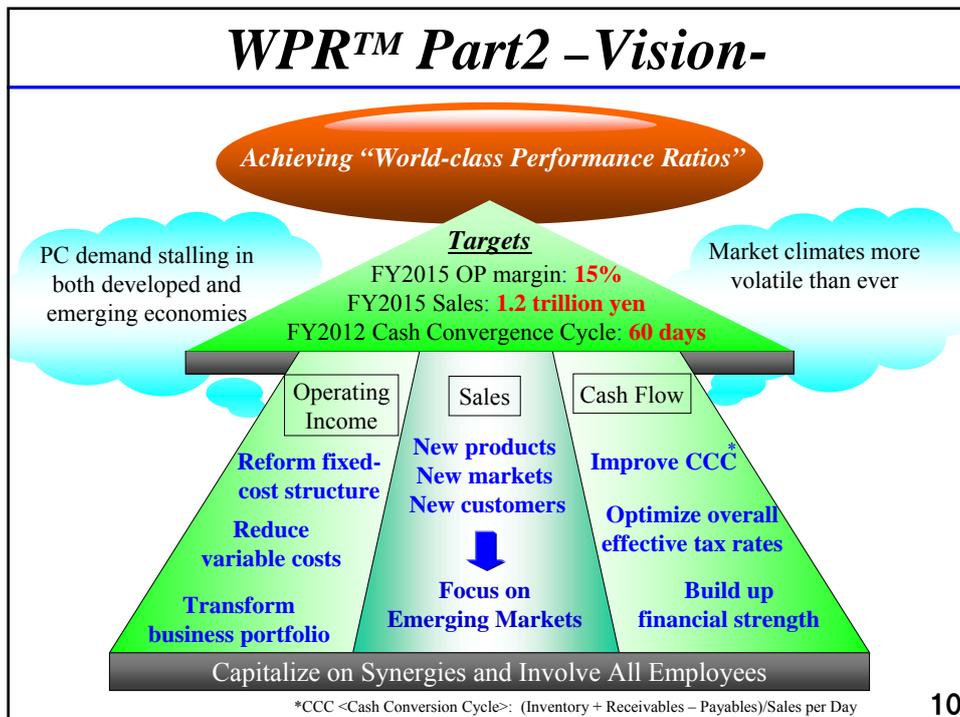
**WPR™ = World-class Performance Ratios**

### Achieving world-class performance targets:

1. Business Portfolio Transformation & Expansion  
(Evolve into a trillion-yen corporate group with new products, new markets and new customers)
2. 15% Consolidated Operating Margin  
(Reshape the profit structure by adopting “ASSET” Approach)
3. Financial Strength through Enhanced High Cash-generation Power  
(Maximize free cash flow by tightening the grip on the cash conversion cycle and CAPEX)

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## WPR™ Part2 – Vision-



## Sustainable Corporate Transformation

Corporate Transformation

### Toward Growth for the Next 100 Years

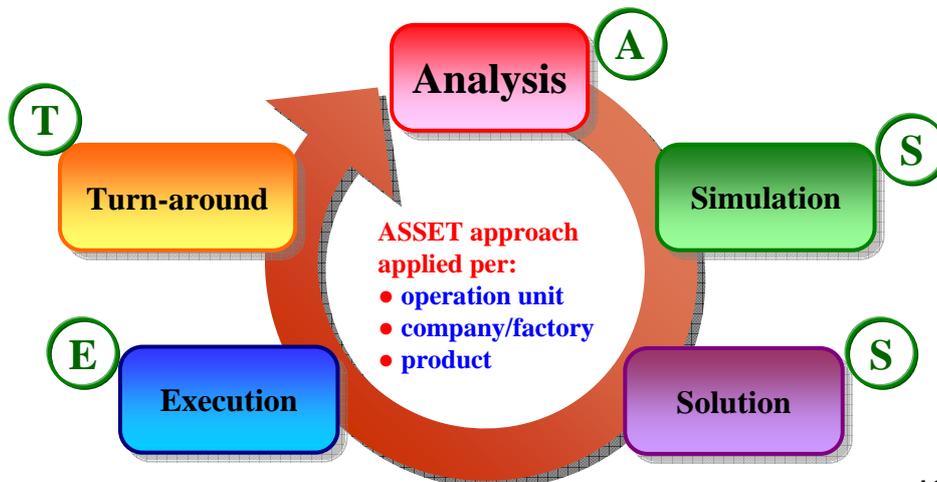
(Strategic, organized, and systematic approach)



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## Profit Structure Reform: 'ASSET' Approach

Maximizing Nidec Group's management resources: manpower, fixed assets, intangible assets (intellectual property, etc.) and free cash



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## Listed Subsidiaries' Profit Performance

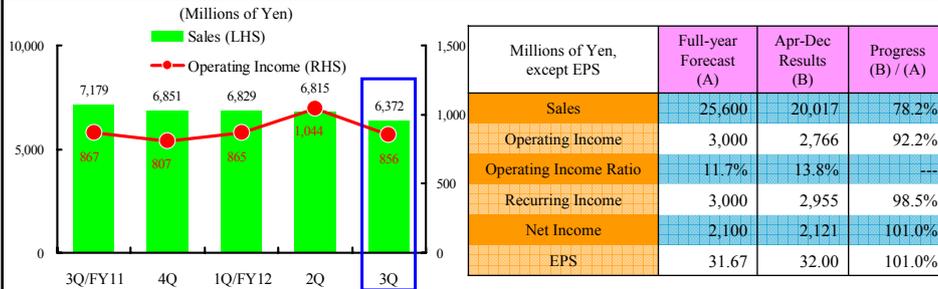
Millions of Yen	Nine-months Operating Income			FY2012 Full-year Operating Income Guidance	
	FY2012 Apr-Dec	FY2011 Apr-Dec	Y/Y	Forecast	Progress
Nidec Copal	-156	3,419	---	-1,300	---
Nidec Tosok	1,546	2,478	-38%	2,150	72%
Nidec Copal Electronics	2,766	3,386	-18%	3,000	92%
Nidec-Read	1,669	1,149	+45%	2,500	67%
<b>Total</b>	<b>5,825</b>	<b>10,432</b>	<b>-44%</b>	<b>6,350</b>	<b>92%</b>

\*All figures are based on the generally accepted accounting standards in Japan.

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## Listed Subsidiaries Performance Highlights

## 3Q FY2012 Highlights



■ **3Q operating margin at 13.4%, down 1.9 percentage points from 2Q, but still above the other three quarters in the last 12 months.**

(1Q/FY2012: 12.7%, 4Q/FY2011: 11.8%, 3Q/FY2011: 12.1%)

■ **Profit-enhancing initiatives**

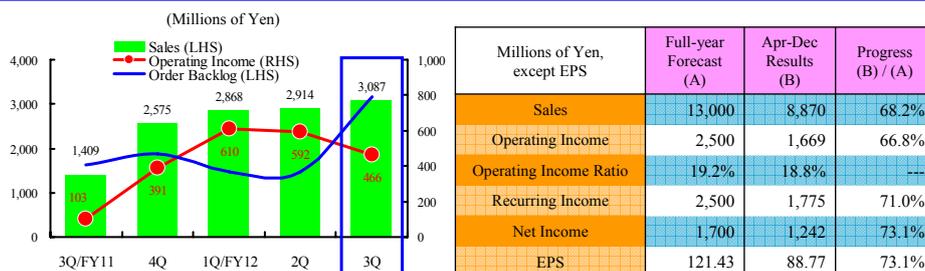
- Building up product competitiveness (Over 10% reduction in material costs)
- Creating globally competitive business model

■ **Growth-oriented business portfolio transformation**

- Strategic partnership gaining results in the medical/industrial equipment markets
- Consistent flow of new products into the green equipment, energy control systems and social infrastructure

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## 3Q FY2012 Highlights



■ **Sales growth driven by smartphone-related CAPEX demand.**

- Inspection equipment for chip scale packages, flexible circuit boards, and touch panels

■ **Revamp of business structure under WPR™ Part2 initiative**

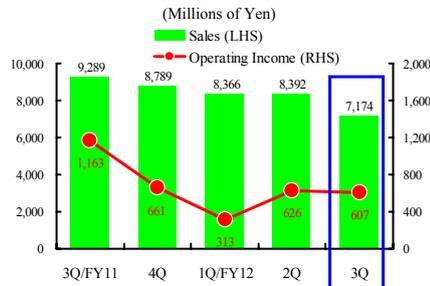
- Broad-ranging effects of “7 strategic focuses for organic growth” and “3 QCDSSS-based profit improvement schemes”

■ **Record-high quarterly order intake and backlog**

- Expanding to new product categories such as touch panel inspection equipment and semiconductor probes production lines

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## 3Q FY2012 Highlights

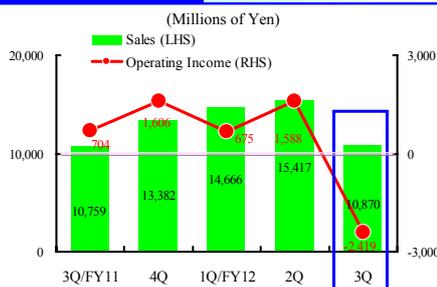


Millions of Yen, except EPS	Full-year Forecast (A)	Apr-Dec Results (B)	Progress (B) / (A)
Sales	30,000	23,934	79.8%
Operating Income	2,150	1,546	71.9%
Operating Income Ratio	7.2%	6.5%	---
Recurring Income	2,300	1,705	74.1%
Net Income	1,050	1,024	97.5%
EPS	27.40	26.73	97.5%

- Nine-month sales and operating income down 3.2% and 37.6%, respectively.
  - Sales weakened around the middle of 3Q after a **fall-off in demand in China**. Operating income declined due to the sales slowdown and **an increase in fixed costs** associated with forward-looking R&D efforts and production augmentation.
  - Operating margin **in consistent uptrend**. (1Q: 3.7%, 2Q: 7.5%, 3Q: 8.5%)
  - **Structural reform underway** to establish stronger profit bases.
- Downward revision of FY2012 full-year guidance
  - Sales: **30 billion yen** (down from 30.6 billion yen)
  - Operating income: **2.15 billion yen** (down from 3.15 billion yen)

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## 3Q FY2012 Highlights



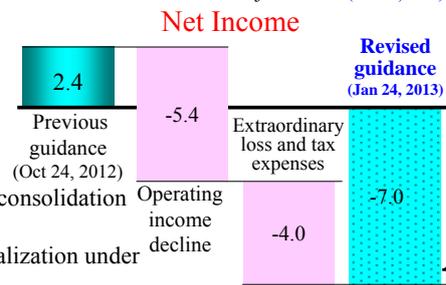
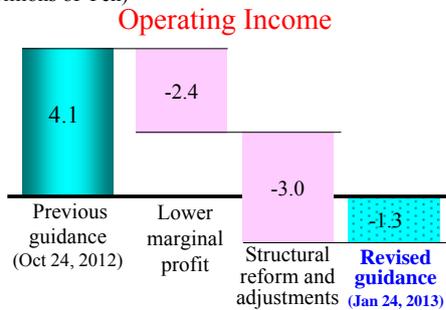
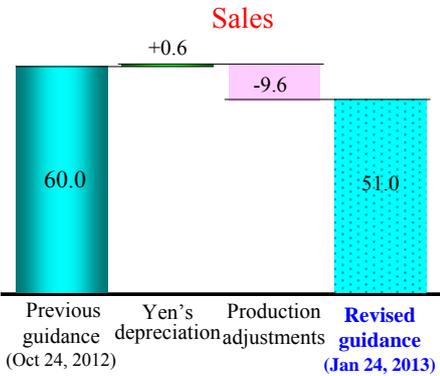
Millions of Yen, except EPS	Full-year Forecast (A)	Apr-Dec Results (B)	Progress (B) / (A)
Sales	51,000	40,954	80.3%
Operating Income	-1,300	-156	---
Operating Income Ratio	-2.5%	-0.4%	---
Recurring Income	-1,300	257	---
Net Income	-7,000	202	---
EPS	-113.17	3.25	---

- **Sales falloff outpaced countermeasures, leading to y/y decline in nine-month revenue and profits**
  - Steep cutback on production of DSC components, etc. ➡ Downward revision of full-year FY2012 guidance
  - Fixed cost reduction falling behind schedule
- **Immediate Actions**
  - **Sales recovery**: Market share gain; growth in emerging markets; new product launches (M-OIS, etc.)
  - **Portfolio transformation**: New application areas: smartphones; motorcycles; automobiles
  - **Structural reform**: Sales augmentation (Asia); functional integration (Japan); overseas mfg. consolidation

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■ **Guidance Revision**

(All figures in billions of Yen)



■ **Structural Reform**

**Optimization of:**

- **manufacturing capacity** through factory consolidation
- **labor costs** on an global basis
- **inventory levels** through production rationalization under consideration



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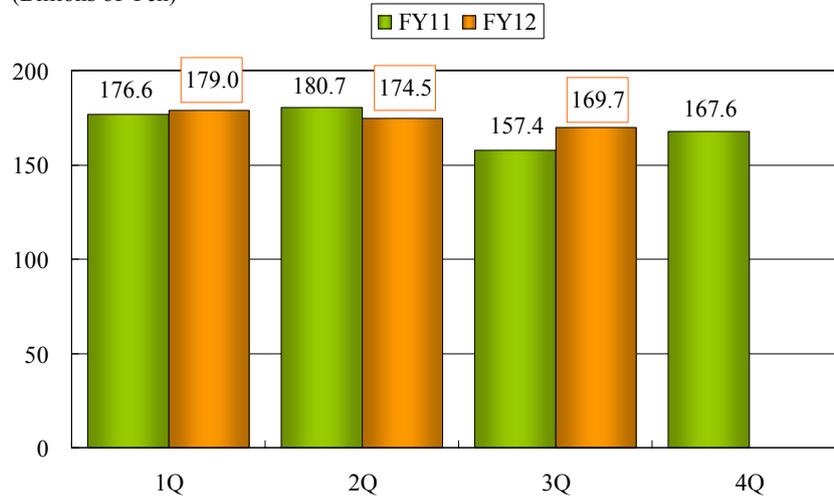
**Front-cover Photograph:**

Featured on the front cover of this slideshow is a pipe-laying vessel powered by our traction motor and drive system, both produced by ASI which joined Nidec Group in May 2012.



## Consolidated Sales

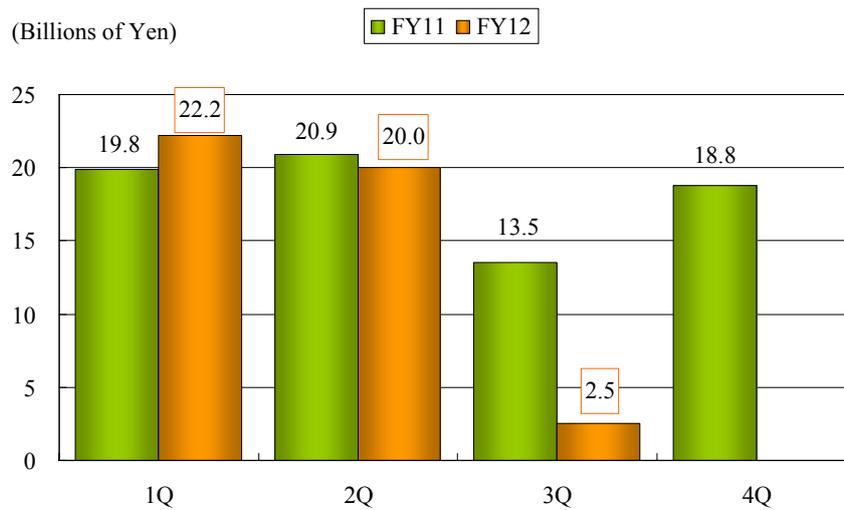
(Billions of Yen)



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## Consolidated Operating Income

(Billions of Yen)

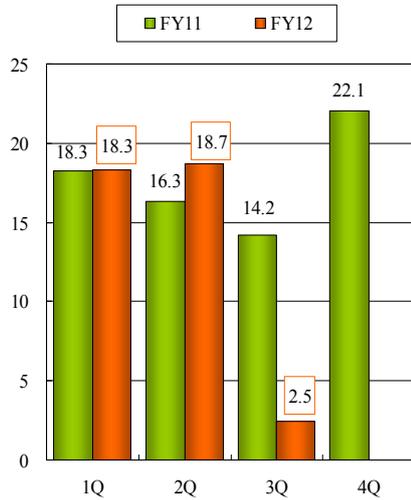


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## Consolidated Income Before Tax & Net Income

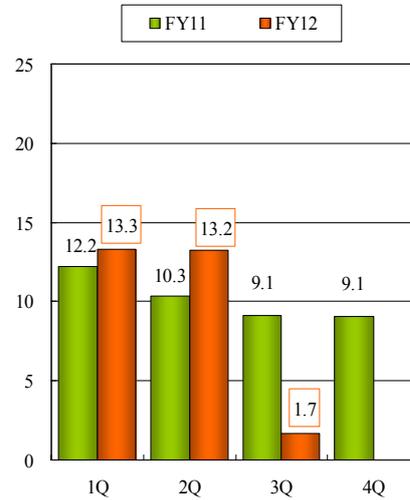
<Consolidated Income Before Tax>

(Billions of Yen)



<Consolidated Net Income>

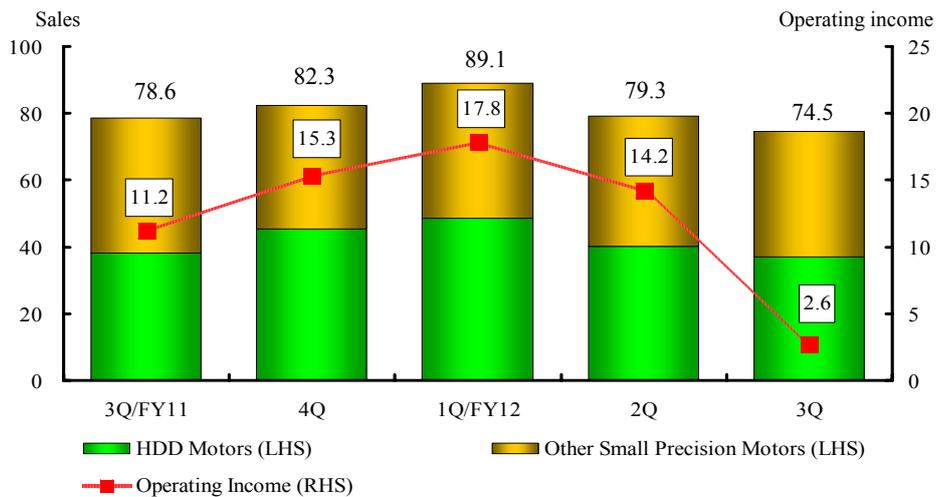
(Billions of Yen)



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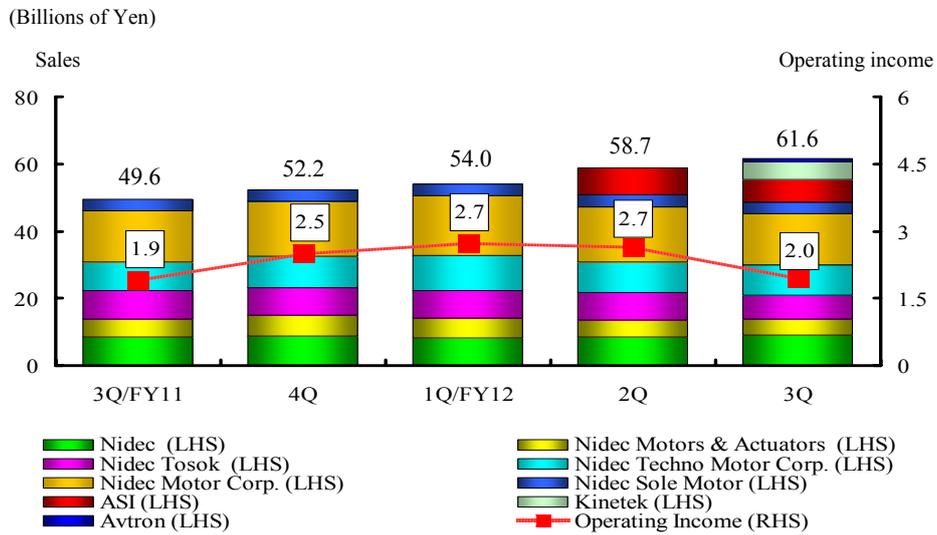
## Small Precision Motors

(Billions of Yen)



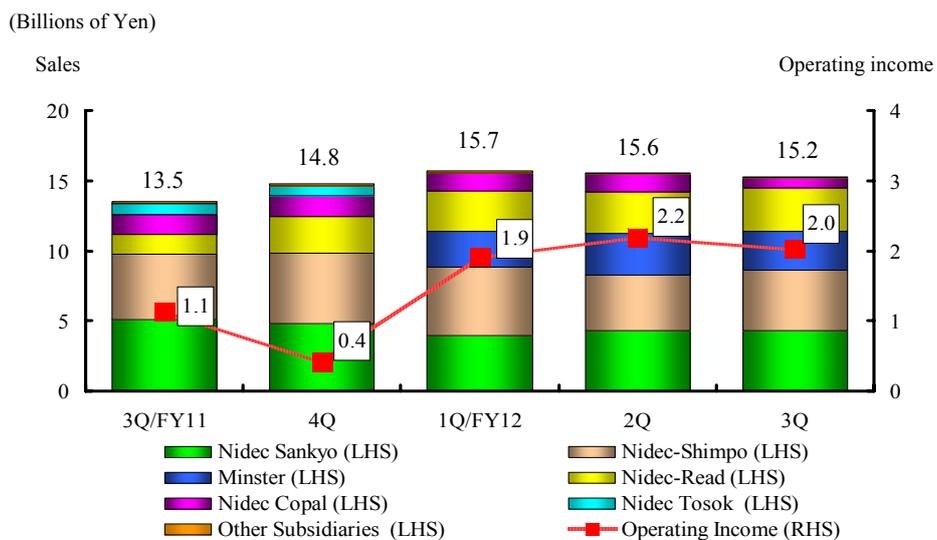
Please refer to the accompanying notes on Page 2. 26

## Automotive, Appliance, Commercial and Industrial Products



Please refer to the accompanying notes on Page 2. **27**

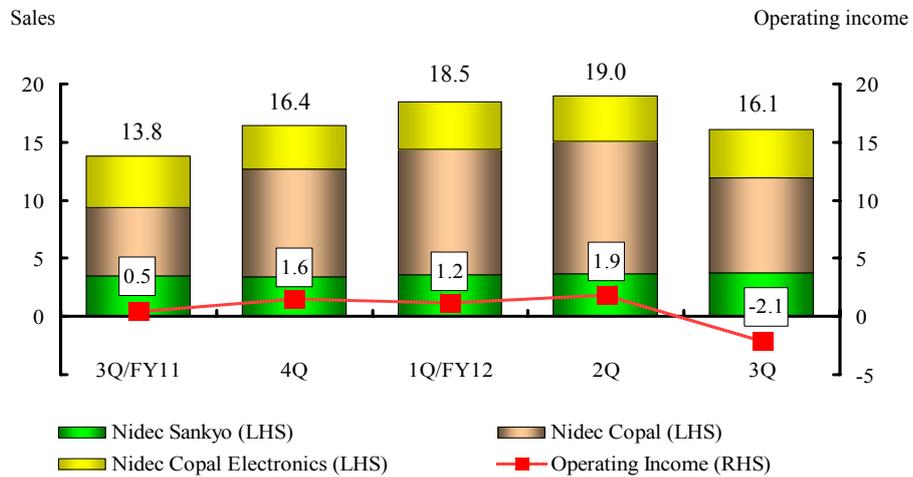
## Machinery



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## Electronic & Optical Components

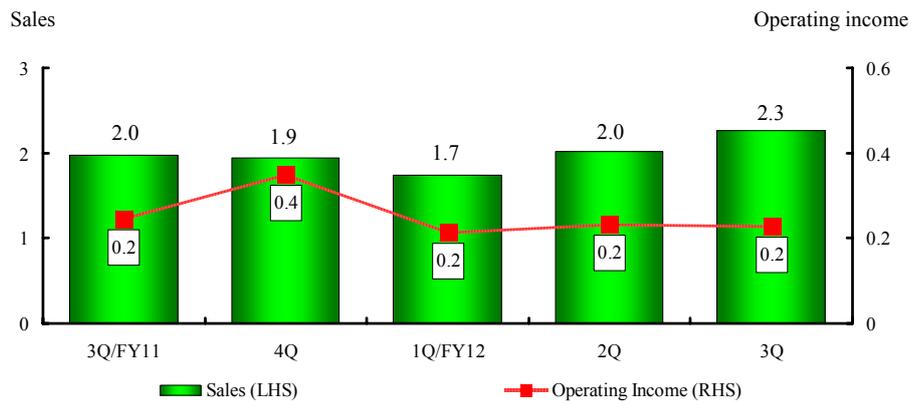
(Billions of Yen)



Please refer to the accompanying notes on Page 2. **29**

## Others

(Billions of Yen)



Please refer to the accompanying notes on Page 2. **30**