

# Nidec Corporation

## Fiscal 2013 Financial Results



Fiscal Year Ended March 31, 2014  
<U.S.GAAP>  
April 23, 2014



### Note 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 latest Form 20-F and 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 photograph on the first slide features a fan motor for air conditioners sold in Japan, which is included in the "Automotive, Appliance, Commercial and Industrial" product category.

As the appliance and home equipment market increases its focus on energy efficiency, the demand for Nidec Group's motors which deliver enhanced efficiency, quietness and durability is growing rapidly in the US and Europe as well as in emerging countries.

## Consolidated Profit/Loss

Millions of Yen except for EPS and FX Rates	FY2012	FY2013	Change	FY2014 Forecast
Net Sales	709,270	875,109	+23.4%	950,000
Operating Income	17,598	85,068	+383.4%	100,000
Operating Income Ratio	2.5%	9.7%	-	10.5%
Income before Tax	13,398	84,664	+531.9%	98,000
Net Income	7,986	56,404	+606.3%	65,000
EPS (Yen)*	29.64	207.31	+599.4%	235.67
Dividends (Yen)*	42.50	50.00	-	55.00
FX Rate (Yen/US\$)				100.00 (Assumed)
Average:	83.10	100.24	+20.6%	
Term end:	94.05	102.92	+9.4%	

\*Adjusted based on the 2-for-1 split implemented as of April 1, 2014. "EPS" and "Dividends" are expressed assuming that the stock split occurred at the beginning of FY2012.

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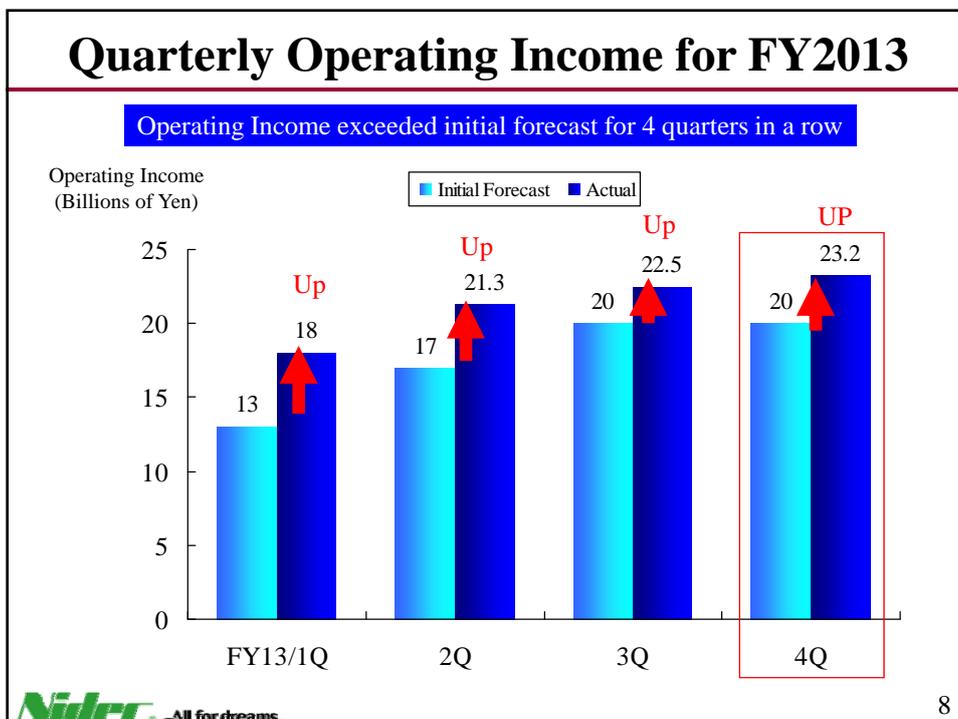
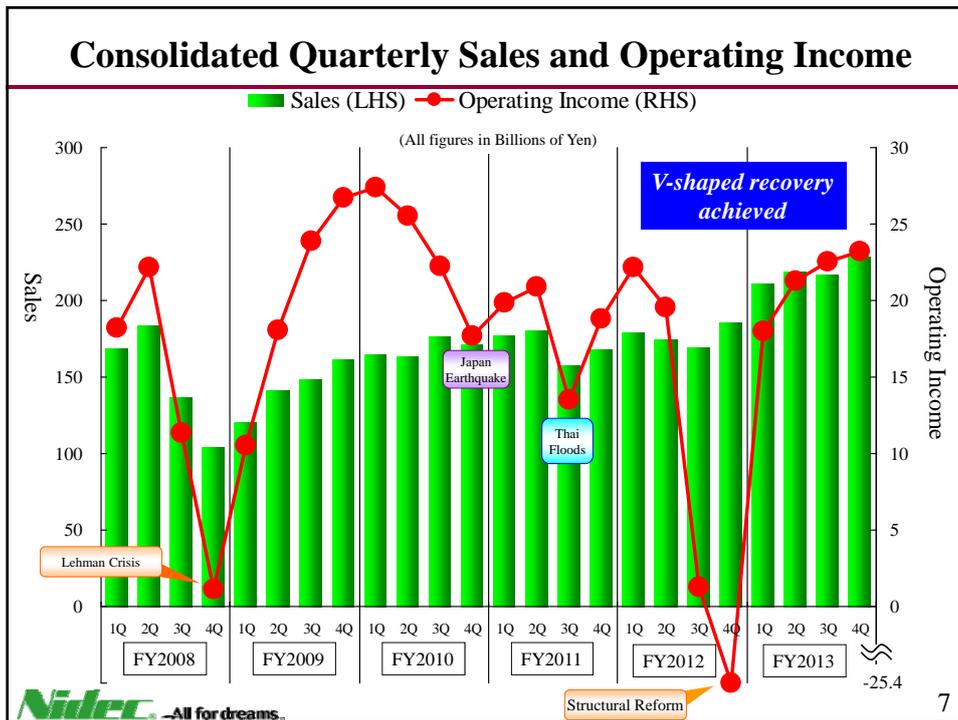
## Summary of FY2013

- **Record-high** 875.1 billion Yen sales
- 85.1 billion Yen operating income, exceeding 70 billion Yen original forecast while achieving **record-high** 84.7 billion Yen income before tax and 56.4 billion Yen net income
- **Record-high** 22.4 billion Yen (7.6 billion Yen for 4Q) operating income for "Automotive, Appliance, Commercial and Industrial Products", the driver of business portfolio transformation
- Board decision to make two subsidiaries (Nidec Copal Electronics and Nidec-Read) wholly owned by Nidec Corp. through share exchange, as part of efforts to drive the Group's organizational integration

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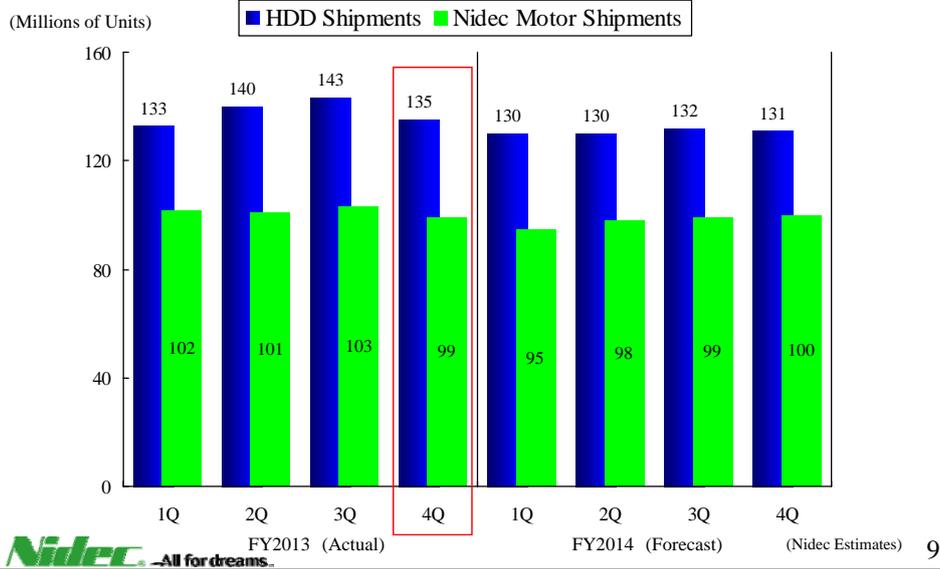
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# Nidec HDD Motor Shipment Outlook

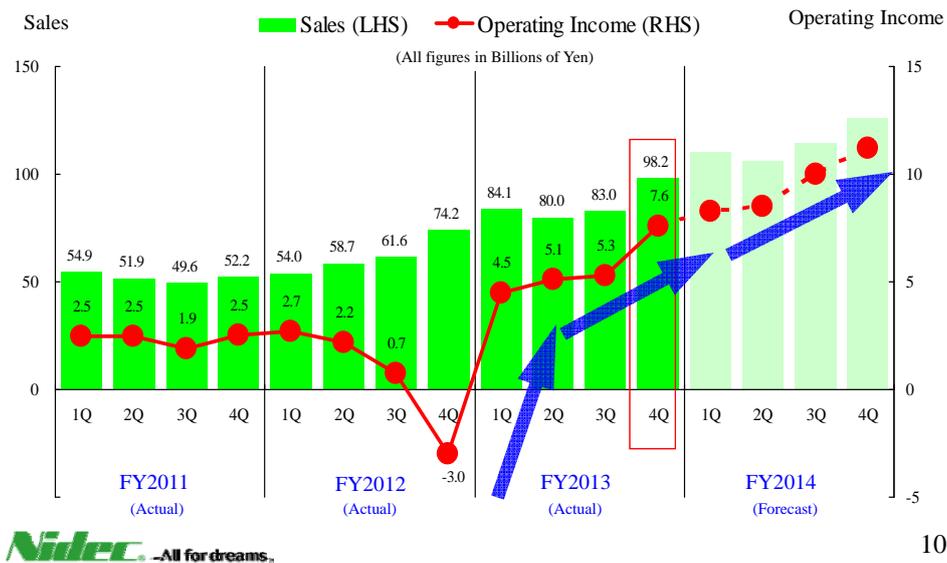
Flat shipments expected throughout FY2014



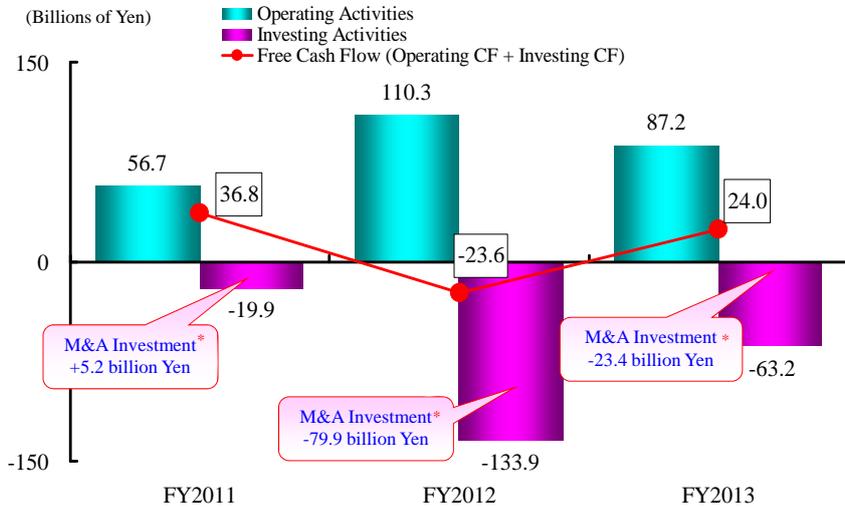
## Quarterly Trend

Automotive, Appliance, Commercial and Industrial Products

Aiming to achieve steady quarterly profit increase for FY2014



## Consolidated Cash Flow

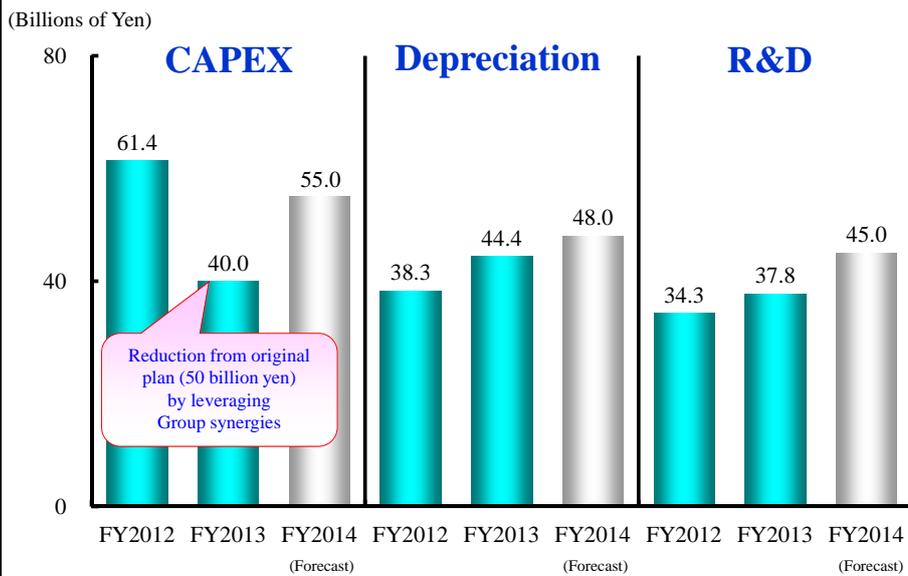


\*M&A investment: Acquisitions of business, net of cash acquired in "Cash flows from investing activities"  
Nidec Seimitsu (FY2011), Nidec Minster, Nidec ASI, Nidec Avtron Automation, Nidec Kinetek, Nidec Kaiyu Auto Electric(Jiangsu), SCD (FY2012), Nidec Sankyo CMI, Nidec Elesys (FY2013)

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## CAPEX, Depreciation and R&D

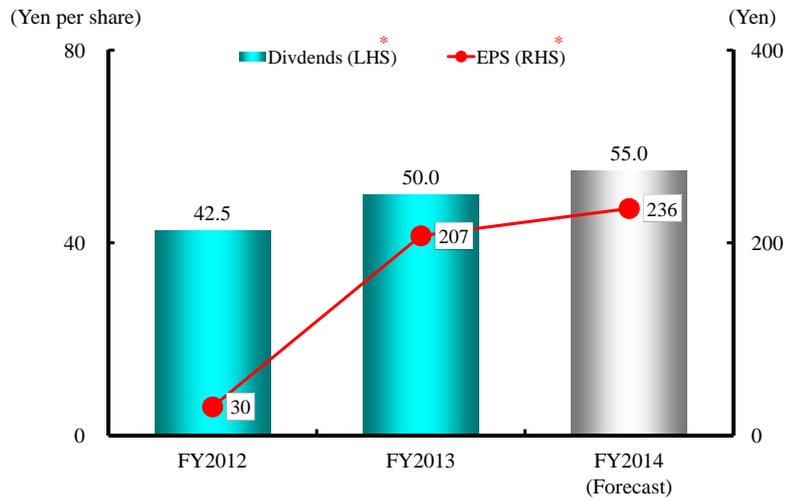


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# Dividends

2-for-1 stock split as of April 1, 2014

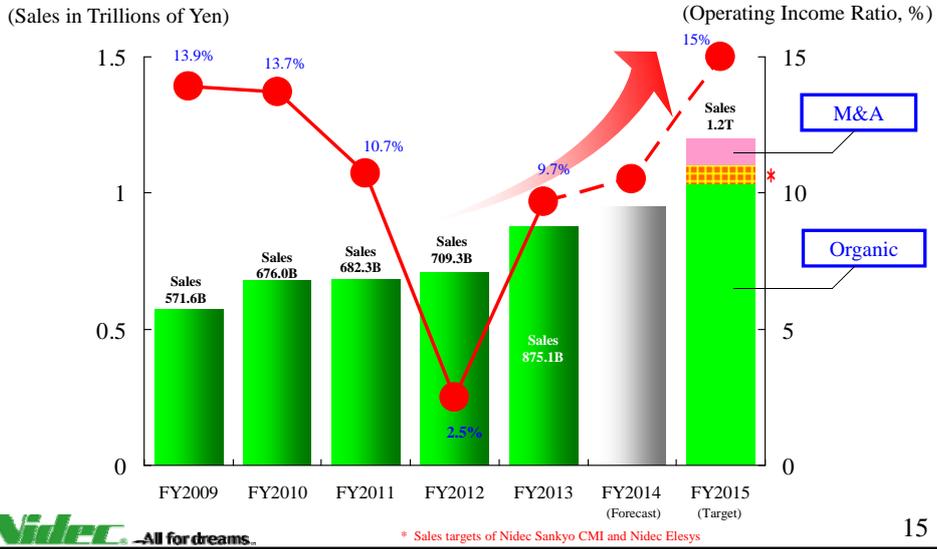


\*Adjusted based on the 2-for-1 stock split implemented as of April 1, 2014. The figures for FY2012 and FY2013 are expressed assuming that the stock split occurred at the beginning of FY2012.

## Mid-Term Strategic Goal

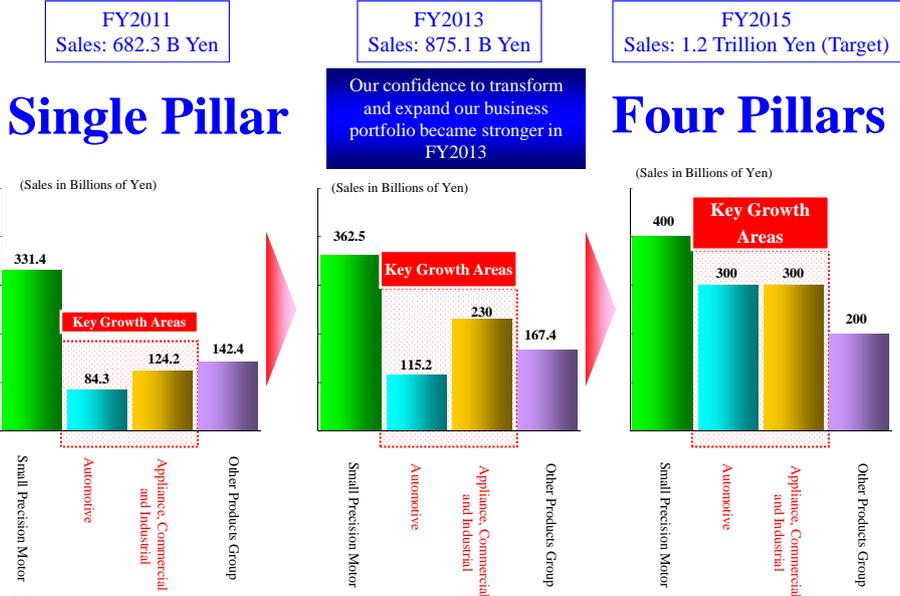
# Mid-Term Strategic Goal

**- Laying the foundation for Sustainable Growth for the Next 100 Years -**  
Aiming to achieve profitable growth by striking balance between expansion and financial soundness



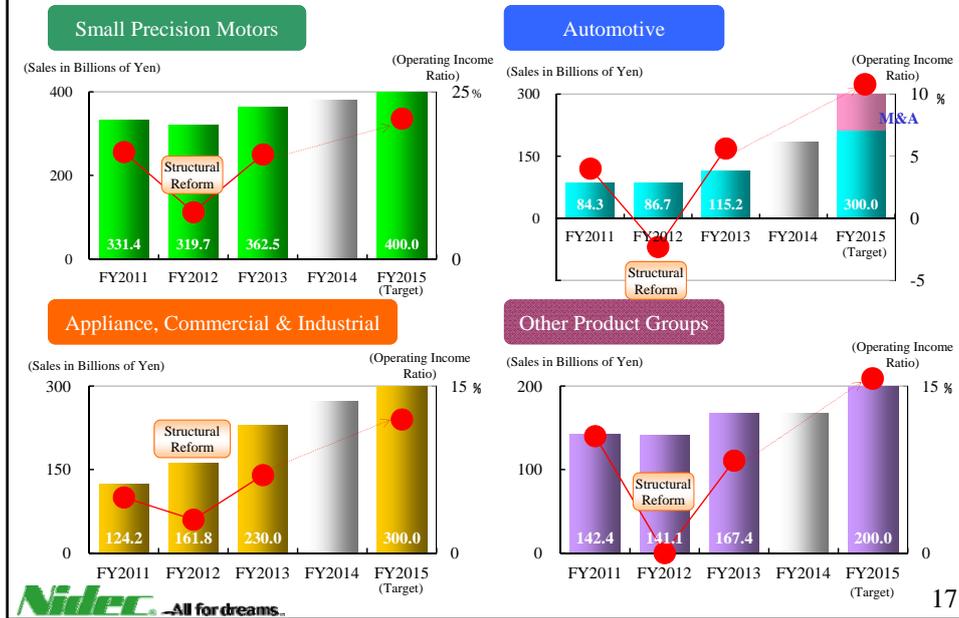
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## Accelerating Business Portfolio Transformation and Expansion



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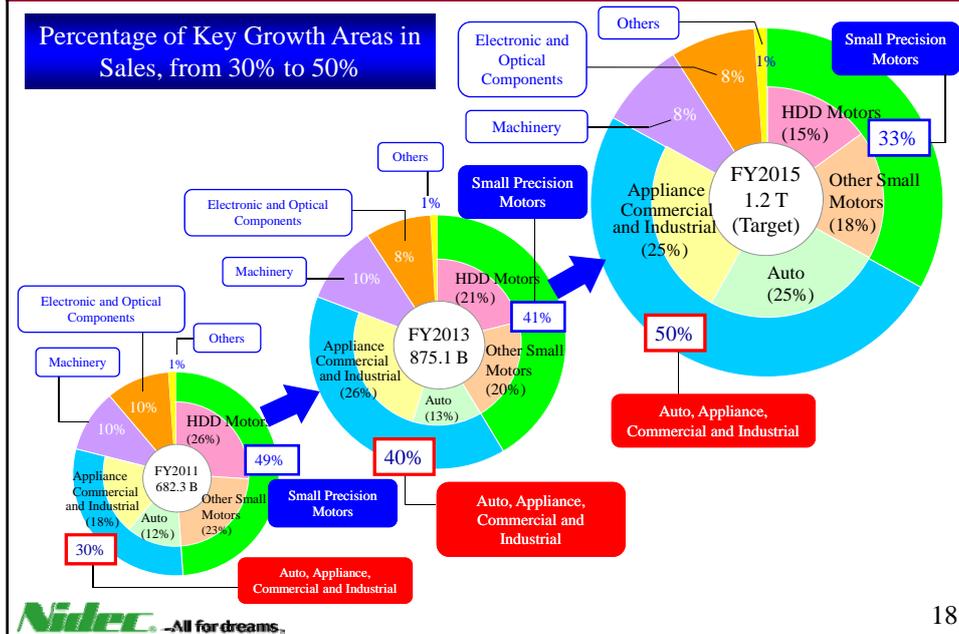
## Sales and Profitability Targets by Product Category



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## Accelerating Business Portfolio Transformation (Sales)

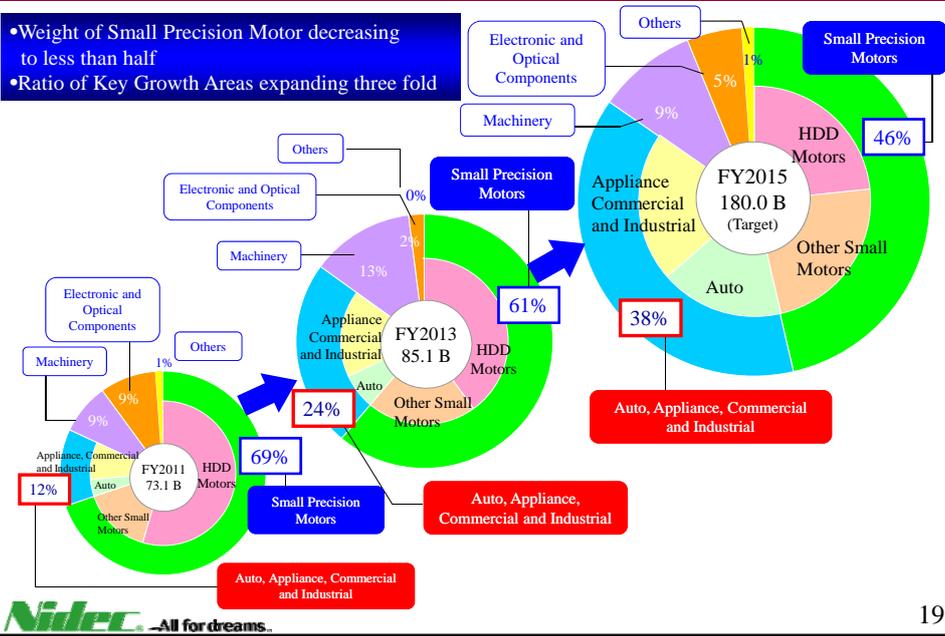
Percentage of Key Growth Areas in Sales, from 30% to 50%



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## Accelerating Business Portfolio Transformation (Operating Income)

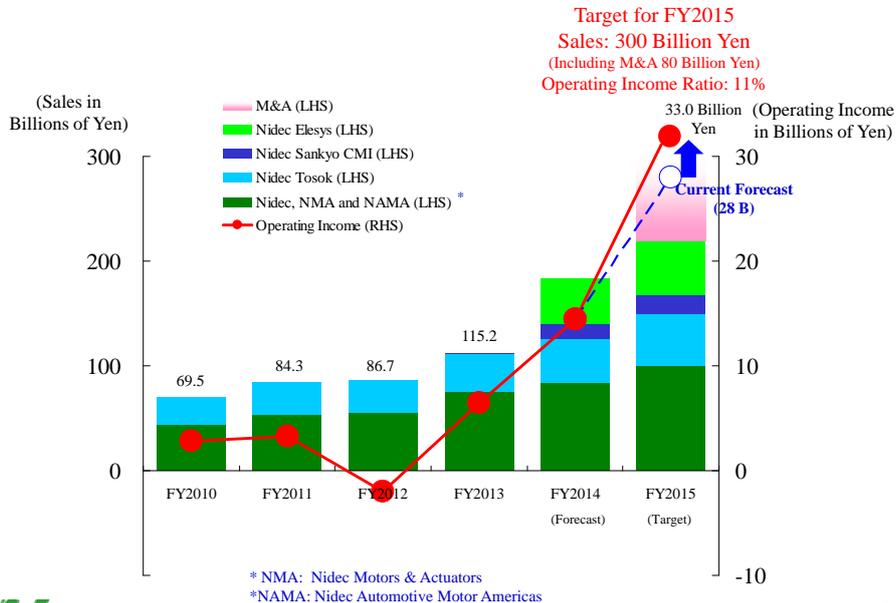
- Weight of Small Precision Motor decreasing to less than half
- Ratio of Key Growth Areas expanding three fold



## Automotive Products

<u>Automotive Motors</u>	<u>Automotive Parts</u>	<u>Electric Control Units</u>
Nidec Nidec Automotive Motors Americas Nidec Motors & Actuators	Nidec Tosok Nidec Sankyo CMI	Nidec Elesys
 Electric power steering motor	 Control valve for CVT	<Advanced Safety>
 Dual clutch transmission motor	 Solenoid valves	 Adaptive Cruise Control / Collision Mitigation System
 Seat adjustment motor	 Spool valves	 Seatbelt Pretensioner
 Engine cooling fan	 Module products (Electric oil pump)	 Occupant Detection System
 ESP/ABS motor	 Electric contact	 Camera for Lane Keeping Assist
 Window lift motor	 Stepping motors	 Millimeter Wave Radar
 Door lock motor	 Stepping motors	<Electronic Control Units>
 Hatch/Tailgate motor		 Electric Power Steering
 Sunroof motor		 Antilock Brake System
		 Electronic Stability Control
		 Electric Servo Brake

## Automotive Products Mid-Term Business Plan



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## Macro Trends Creating Various Needs

Keywords: (1) Environment, (2) Safety, (3) Value-added

Needs	Triggers	Applications	Regions	Opportunities for Nidec mid-term growth
Environment (Electrification)	<ul style="list-style-type: none"> <li>EU CO<sub>2</sub> emissions regulations (95 grams/km by 2020)</li> <li>U.S. CAFE regulations (54.5 miles/gallon by 2025)</li> </ul>	<ul style="list-style-type: none"> <li>Downsizing</li> <li>Integrated Starter Generator/Hybrid Vehicle</li> <li>Electric Vehicle</li> <li>Fuel Cell Vehicle</li> </ul>	Europe Japan North America	<ul style="list-style-type: none"> <li>Electric Power Steering</li> <li>Traction applications (motors and inverters)</li> <li>Powertrain Actuators and pumps</li> </ul>
Safety (Autonomous)	<ul style="list-style-type: none"> <li>Traffic accident prevention</li> <li>More elderly drivers</li> <li>Intelligent Transport Systems infrastructure development</li> <li>E-NCAP</li> </ul>	<ul style="list-style-type: none"> <li>Self-driving cars</li> <li>Emergency Brake Assist</li> <li>Advanced Driver Assistance System</li> </ul>	Europe Japan North America	<ul style="list-style-type: none"> <li>Sensors &amp; cameras</li> <li>Radars &amp; lasers</li> <li>Electronic controls</li> <li>Steering (turning)</li> <li>Brakes (stopping)</li> <li>Artificial Intelligence (judging)</li> </ul>
Value-added	<ul style="list-style-type: none"> <li>Common vehicle platforms</li> <li>Modular components</li> <li>Function &amp; safety standards (ISO26262)</li> </ul>	<ul style="list-style-type: none"> <li>Systemization</li> <li>Convenient features</li> </ul>	Developed & Emerging markets	<ul style="list-style-type: none"> <li>Modularization</li> <li>ECUs, pumps, fans, gears</li> <li>Brush compact motors</li> </ul>

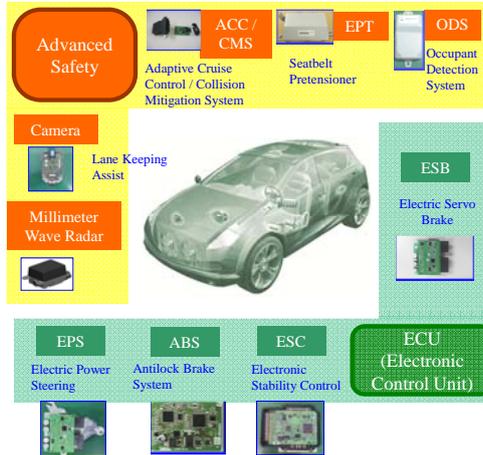
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# Completion of Honda Elesys\* Acquisition

Accelerating mid-term growth through electrification & modularization

- Expanding **module business** by combining automotive motors with Elesys ECU  
 >>Effective differentiation
- Expanding business by **combining automotive related products within Nidec Group**  
 [Examples]
  - (1) Sensor cameras (Nidec Copal)
  - (2) Electric oil pump units (Nidec Tosok)
  - (3) Head-up display motors (Nidec Sankyo)



\*Renamed "Nidec Elesys Corporation" as of April 1, 2014.

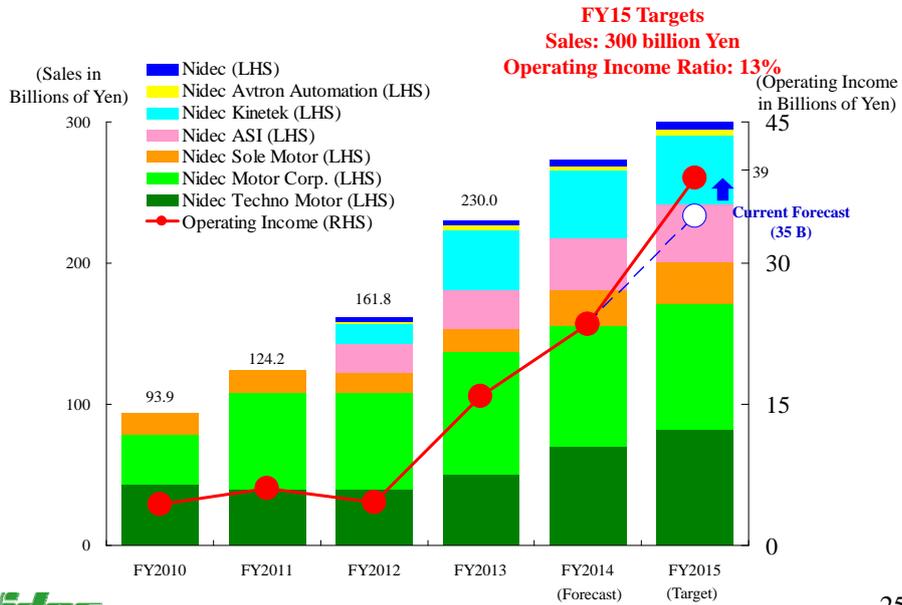


## Appliance, Commercial and Industrial Products

Appliance	Commercial	Industrial
<p>Washing machines, Dryers, Dishwashers, etc.</p>	<p>HVAC, Pools &amp; Spas, Elevators, Escalators, Commercial fridge, Floor care, Aerial lifts, etc.</p>	<p>Pumps, Compressors, Vessels, Conveyers, Automation, Steel plants, Generators, Mining, etc.</p>
<p>Washing machine motor    Dryer motor    Dishwasher pump</p>	<p>Air conditioner motors    Elevator machine    Elevator controls    Dishwasher motors &amp; pumps</p>	<p>Industrial motors    Low voltage drive    Medium voltage drive</p>



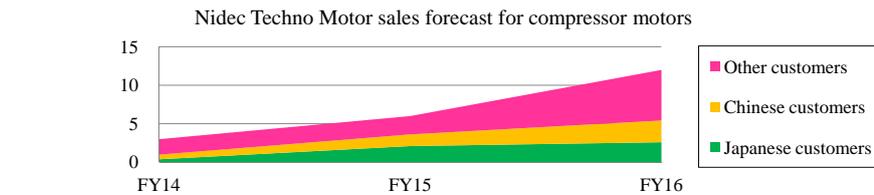
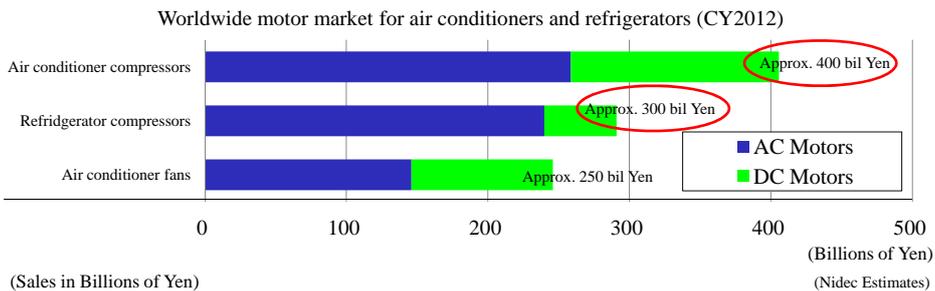
## Appliance, Commercial and Industrial Products Mid-Term Business Plan



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## Expansion into Compressor Motor Market

Accelerating global air conditioner strategy targeting 700 B Yen compressor market



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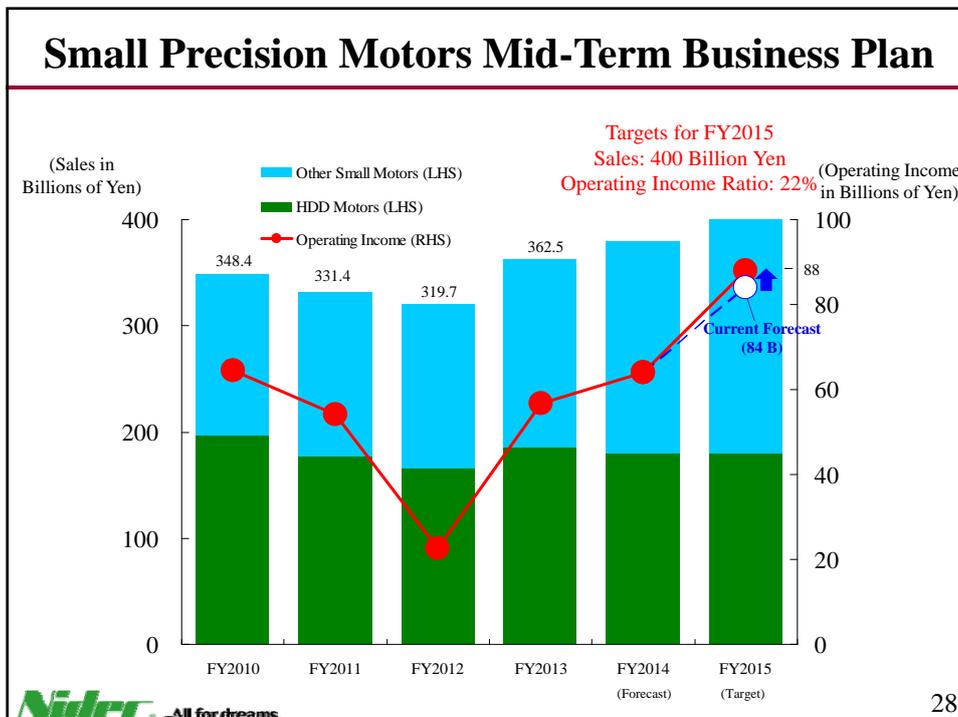
## Small Precision Motor Products

<p><u>HDD Motors</u></p>  <p>Nidec</p>	<p><u>Other Small Motors</u></p> <p>Nidec Nidec Sankyo Nidec Copal Nidec Copal Electronics</p> <p>Nidec Servo Nidec Seimitsu Nidec Component Technology</p>
 <p>HDD Motors</p>	 For IT & AV equipment  For office equipment  Small brushless DC motors  Fans  Actuator units for air conditioners  Actuator units for washing machines  Actuator units for sanitary products & water supply facilities  Vibration motors  Actuator units for refrigerators  Hot water supply actuators  Medical tube pump

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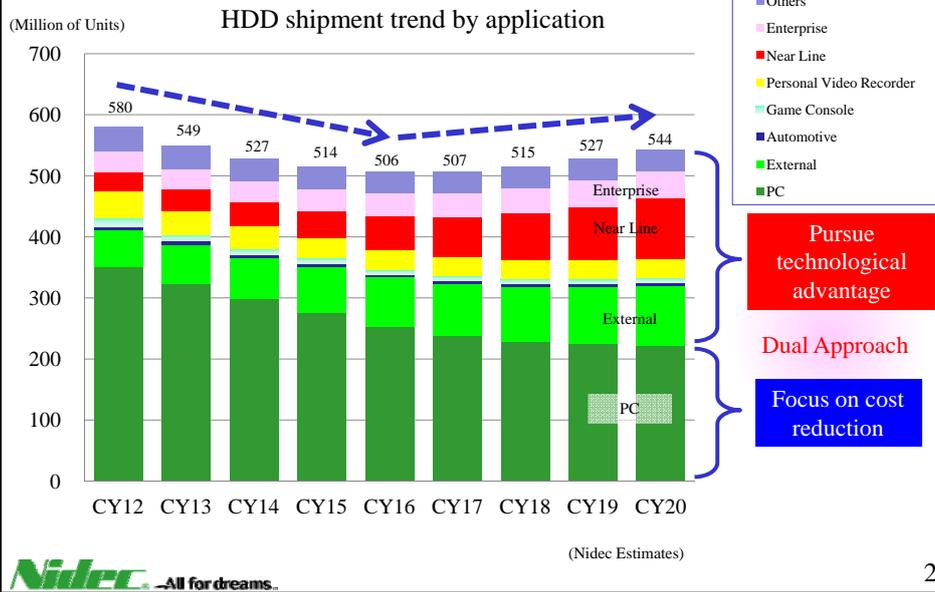
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## Small Precision Motors Mid-Term Business Plan



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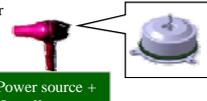
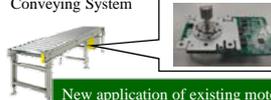
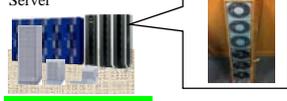
# HDD Market Mid-Term Outlook and Strategy



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# Market Trend & Nidec Strategy for Other Small Motors

## Examples of value added proposals

 <p>Cordless vacuum cleaner</p> <p>Creating differentiation</p> <p>Ultra-high speed motor</p>	 <p>Hair dryer</p> <p>Motor + Power source + Circuit + Impeller</p>	 <p>Ceiling fan</p> <p>Complete set ODM</p>
 <p>Car seat fan</p> <p>High quality / High reliability</p> <p>Attacking rapidly expanding market</p>	 <p>Conveying System</p> <p>New application of existing motors</p> <p>Adding value through modularization</p>	 <p>Telecom Base Station</p> <p>Nidec Group collaboration</p>
 <p>Lawn mower</p> <p>Replacement of engines with BLDC(*) motors</p> <p>Riding the wave of shift to DC motors</p>	 <p>Printer</p> <p>Replacement of stepping motors with BLDC(*)</p>	 <p>Server</p> <p>Adding higher value</p> <p>Full use of super computers</p>

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(\*)BLDC: Brushless direct current

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# Emerging Market Strategy

## Setting up joint production plant for Group companies in India

Total production site for the 2 key growth areas (Automotive and Appliance, Commercial & Industrial Products) and Other Small Motors to serve South Asia and the Middle East markets

New Delhi

Mumbai

India

Neemrana Industrial Park in Rajasthan, 100km south of New Delhi

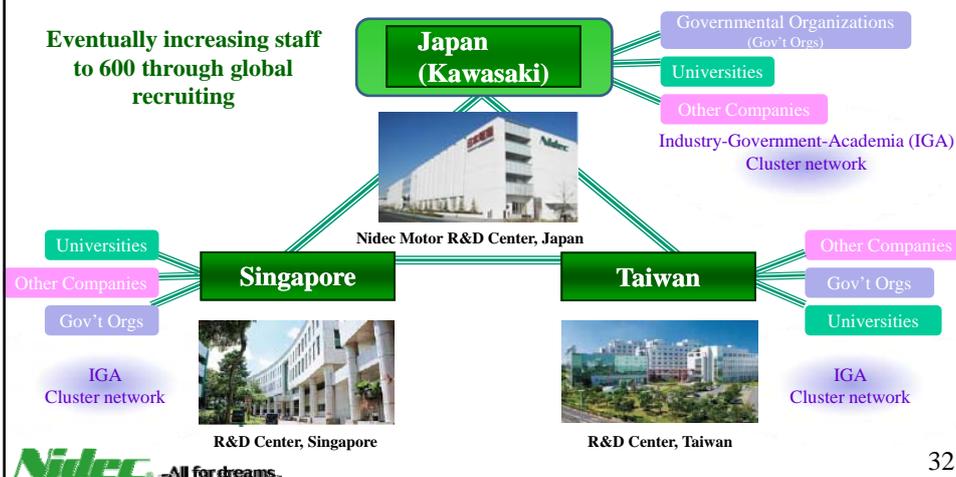
Completion scheduled for March 2015

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# Completion of Nidec Motor Research and Development Center, Japan

## 21<sup>st</sup> Century-style “Convergence Research” with 3 R&D Centers

[Goal] Research motor related tasks in order to develop demand-matching technologies  
 [Tasks] Make motors smaller & lighter / Save power & materials / Minimize noise, vibration & heat





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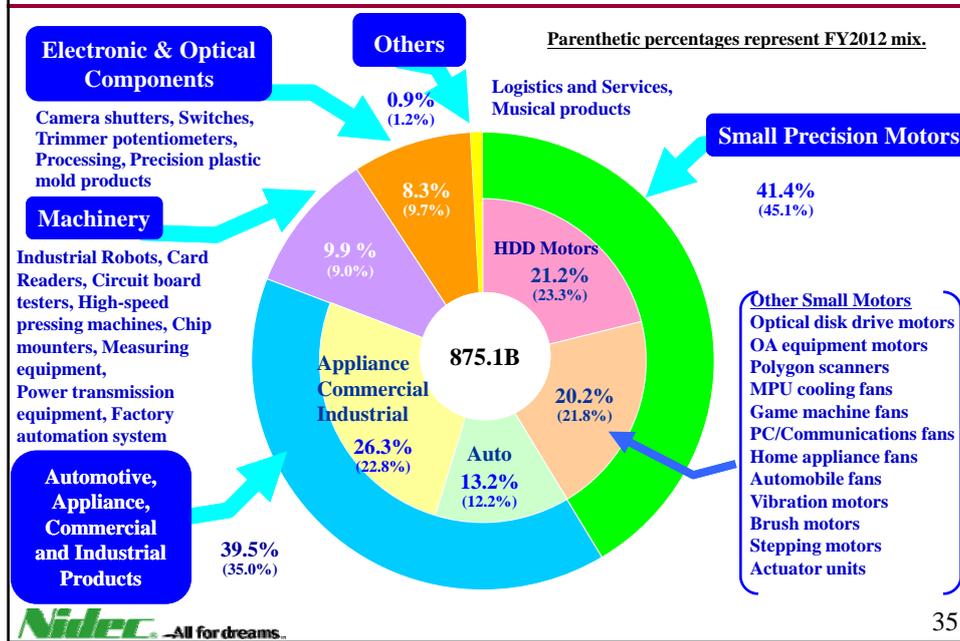
## Appendix

# Performance Trend & Product Group Overview

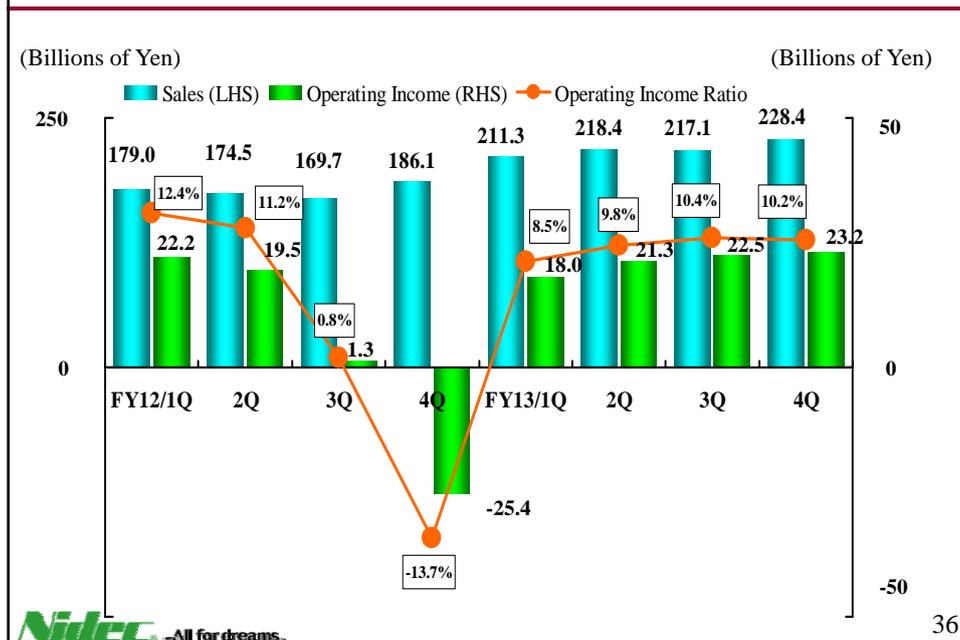


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## Sales by Product Group (FY2013)

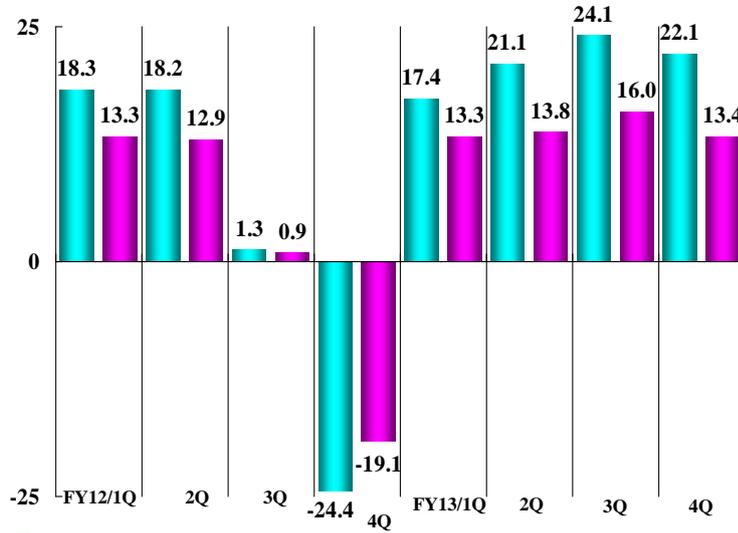


## Consolidated Sales & Operating Income



## Consolidated Income Before Tax & Net Income

(Billions of Yen) Consolidated Income Before Tax Consolidated Net Income

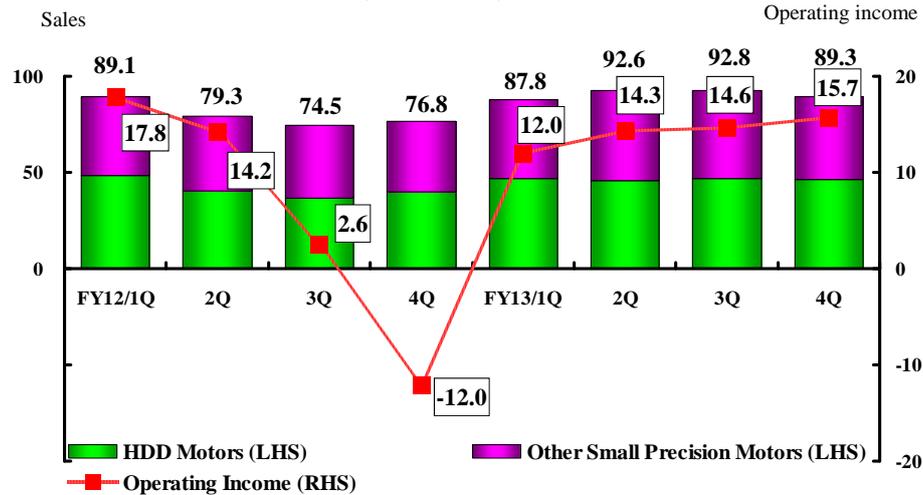


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## Small Precision Motors

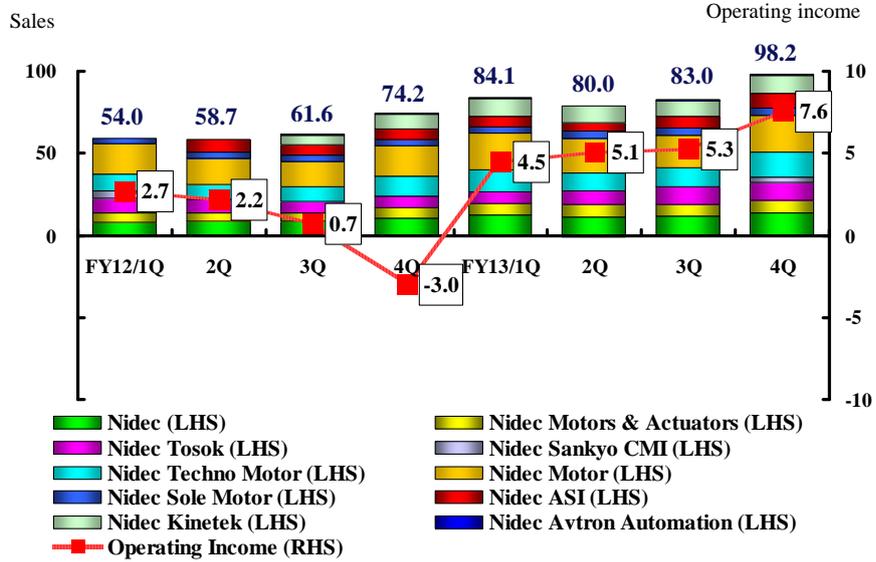
(Billions of Yen)



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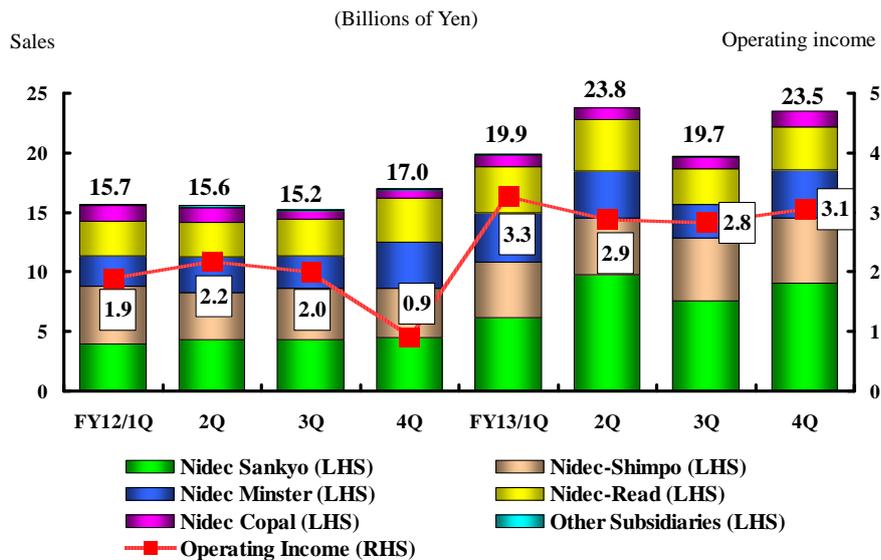
## Automotive, Appliance, Commercial and Industrial Products



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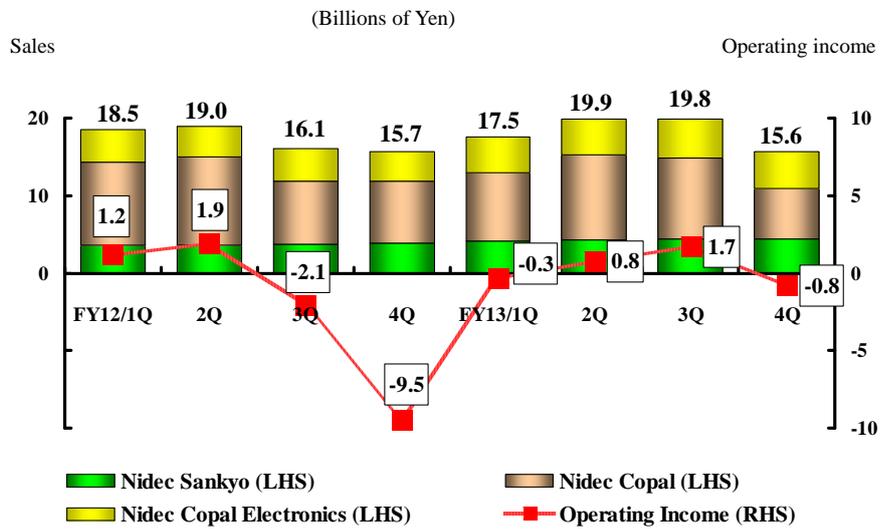
## Machinery



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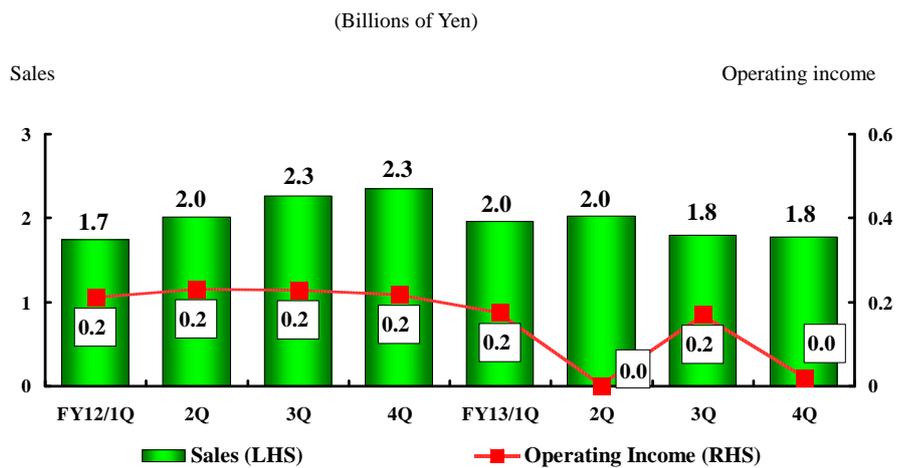
## Electronic & Optical Components



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## Others



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