

Nidec Corporation

Fiscal 2015 Financial Results



Fiscal Year Ended March 31, 2016
<U.S.GAAP>
April 26, 2016

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.

Consolidated Profit/Loss



Millions of Yen, except for EPS, dividends and FX rate	FY2014	FY2015	Change	FY2016 * Forecast
Net Sales	1,028,385	1,178,290	+14.6%	1,250,000
Operating Income	110,939	124,538	+12.3%	130,000
Operating Income Ratio	10.8%	10.6%	-	10.4%
Income before Tax	107,092	119,328	+11.4%	130,000
Net Income	76,015	91,810	+20.8%	98,000
EPS (Yen)	271.61	309.32	+13.9%	330.41
Dividends (Yen)	70.00	80.00	-	80.00
FX Rate (Yen/US\$)				
Average:	109.93	120.14	+9.3%	110.00
Term end:	120.17	112.68	-6.2%	(Assumed)

Note: Based on the current forecast of sales volume, every one yen appreciation or depreciation against the U.S. dollar and the euro for FY2016 is estimated to have an annualized impact of 7.00 billion yen and 1.10 billion yen on sales, respectively, and 1.10 billion yen and 0.30 billion yen on operating income, respectively.

*Numbers are based on U.S. GAAP. Please refer to Note on page 15 for details. This slide includes forward-looking statements. See disclaimer on page 2 of this presentation.

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Summary of FY2015

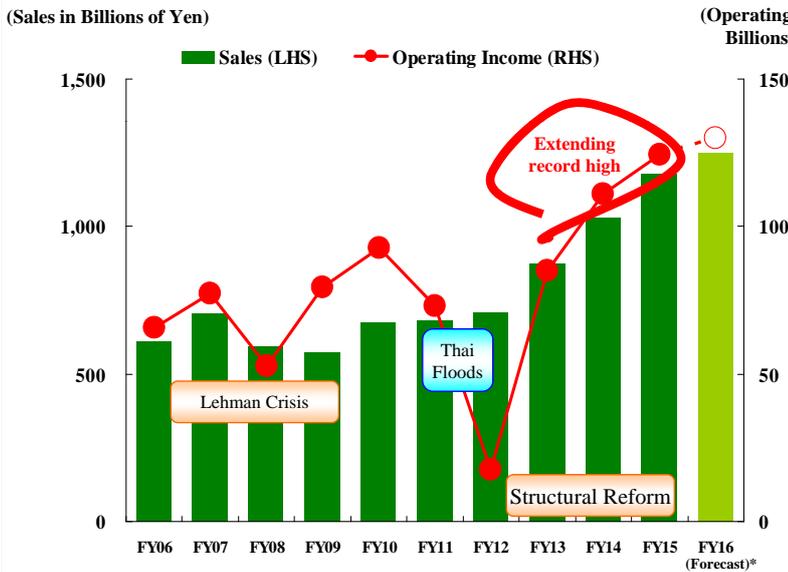


- **Record-high net sales for four consecutive years. Operating income, income before tax and net income increased for three consecutive years** following the structural reform in FY2012.
- **Operating income ratio** on automotive, appliance, commercial and industrial products **exceeded 10%** in 4Q, driving the company's business portfolio transformation.
- **Cash and cash equivalents exceeded** interest-bearing debt for the first time in six years, resulting in approx. 5.2 billion yen net cash at end-March 2016. CCC* shortened by 7 days to 66 days; working capital saved by 11.2 billion yen compared to the same time of the previous year.

*Cash Conversion Cycle (in days): (Inventory + Account Receivable – Account Payable) / Per day sales amount
We use sales amount as a denominator to calculate Cash Conversion Cycle.

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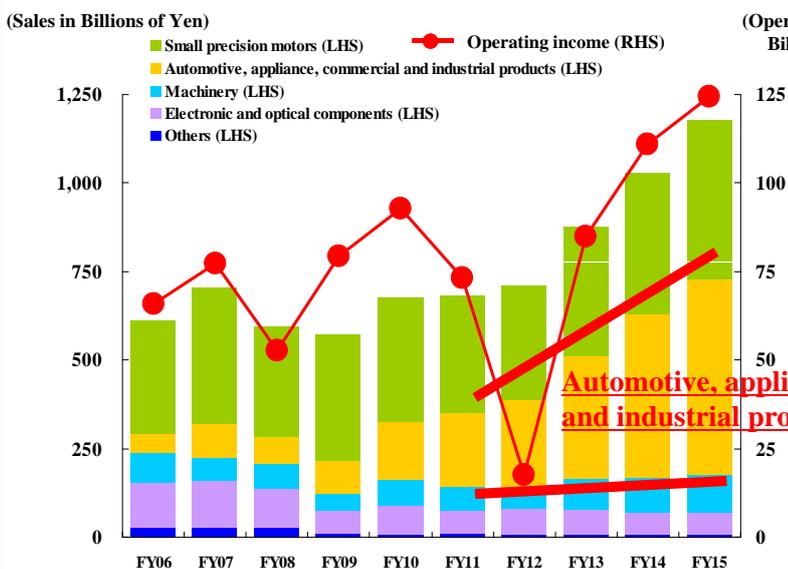
Consolidated Annual Sales and Operating Income (FY2006-FY2015)



Record-high net sales for four consecutive years. Operating income, income before tax and net income increased for three consecutive years following the structural reform in FY2012.

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Sales and Operating Income per Product Group (FY2006-FY2015)



Successful business portfolio transformation

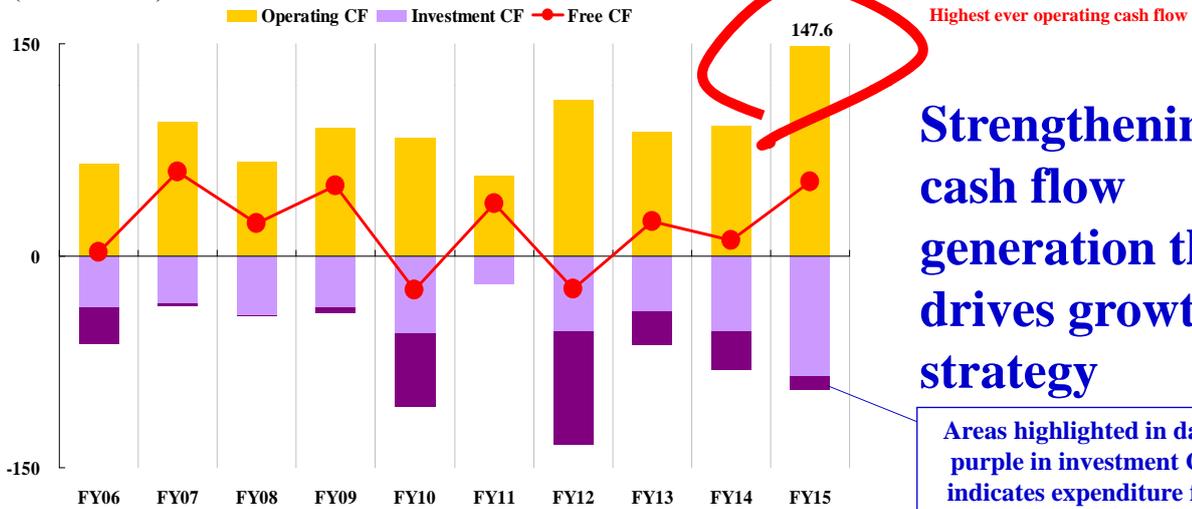
Automotive, appliance, commercial and industrial products*

*Operating income ratio on automotive, appliance, commercial and industrial products reached double digits for the first time at 10.4% in 4Q FY2015.

Consolidated Cash Flow (FY2006-FY2015)



(Billions of Yen)



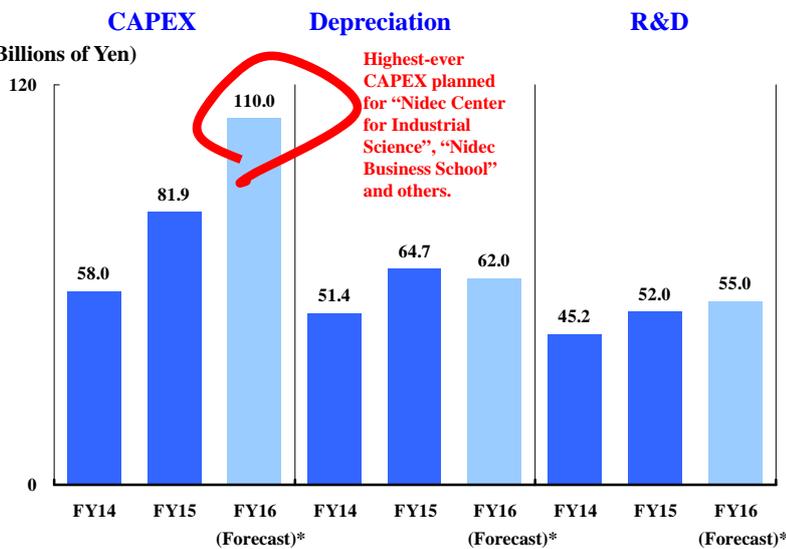
Strengthening cash flow generation that drives growth strategy

Areas highlighted in dark purple in investment CF indicates expenditure for business acquisitions

CAPEX, Depreciation, R&D



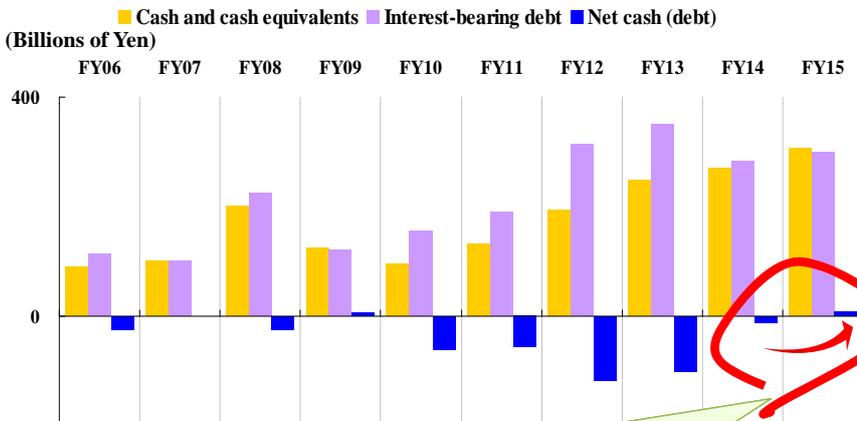
(Billions of Yen)



Continuing aggressive investments that support organic growth

* Numbers are based on U.S. GAAP. Please refer to Note on page 15 for details. This slide includes forward-looking statements. See disclaimer on page 2 of this presentation.

**Cash and Cash Equivalents, Interest-Bearing Debt
(FY2006-FY2015)**

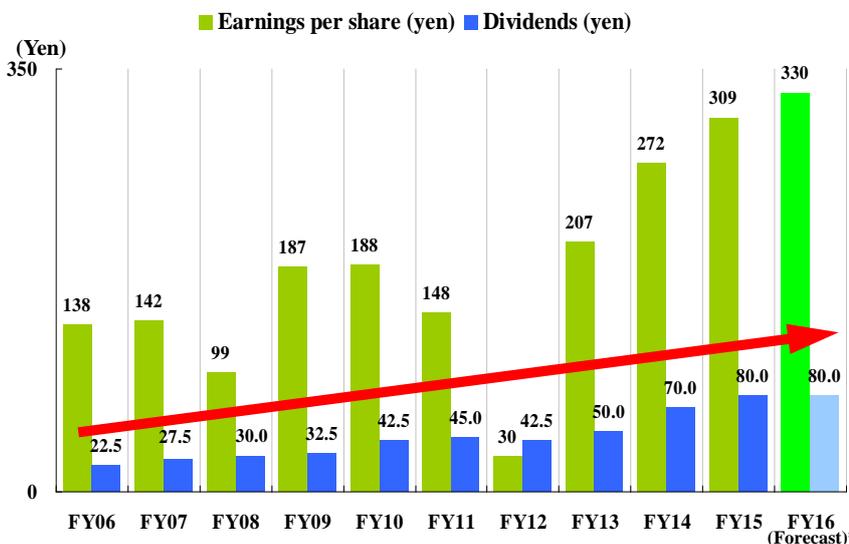


Back to net cash* for the first time in six years allowing for further increase in investments

Cash flow focused management enables investments for future growth (Ready for large M&As)

*Cash and cash equivalents exceeded interest-bearing debt

**Dividends and EPS
(FY2006-FY2015)**



Steady growth in dividend payouts underpinned by healthy EPS increase

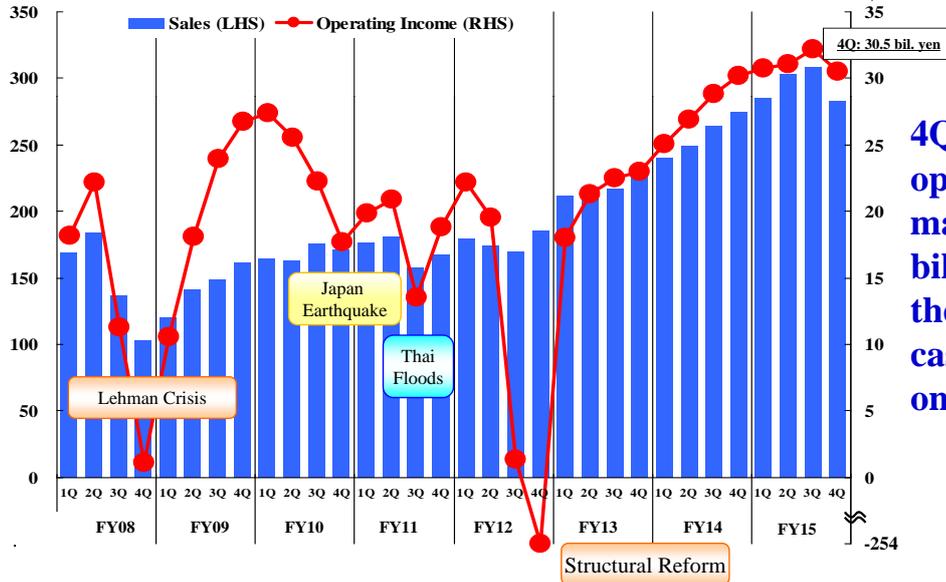
*Numbers are based on U.S. GAAP. Please refer to Note on page 15 for details. This slide includes forward-looking statements. See disclaimer on page 2 of this presentation.

Consolidated Quarterly Sales and Operating Income



(Sales in Billions of Yen)

(Operating Income in Billions of Yen)

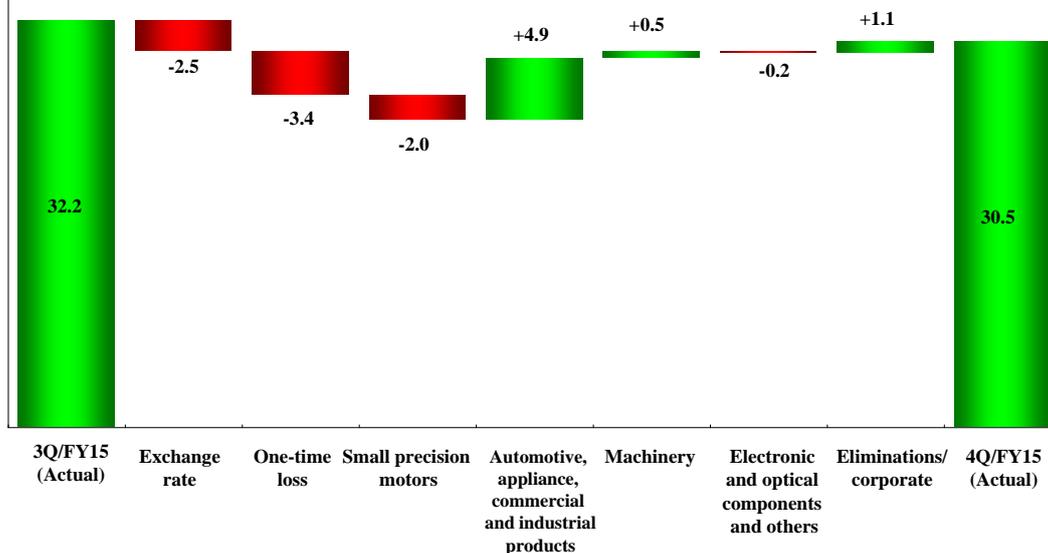


4Q FY2015 quarterly operating income firmly maintained above 30 billion yen, absorbing the impact of softened cash cow business and one-time expense

Operating Income Changes (Q3/FY2015-Q4/FY2015)



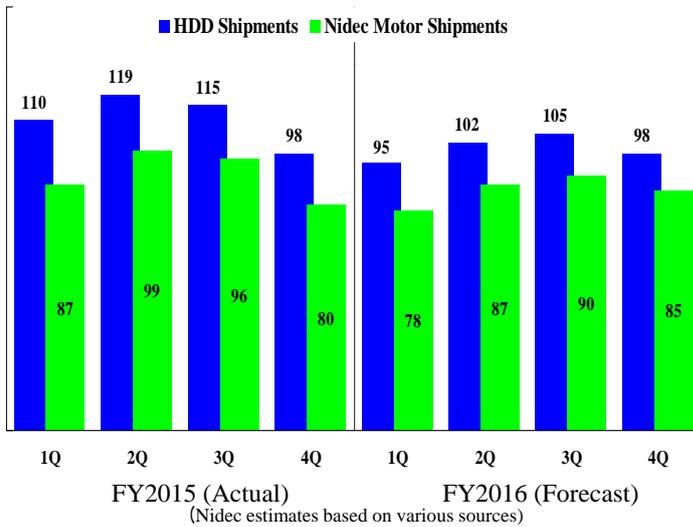
(Billions of Yen)



HDD Market Short-Term Trend



(Millions of Units)



Expects a moderate 6% decrease in Nidec motor shipments YoY in contrast to the forecasted 10% decline in HDD market.

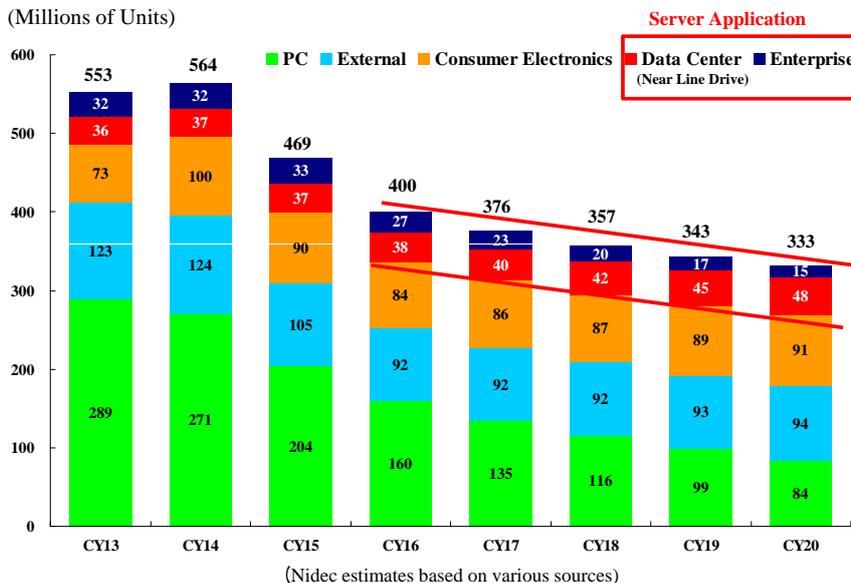
Increased market share will serve as a buffer.

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HDD Market Mid-Term Trend



(Millions of Units)



HDD market as a whole expected to continue to decline due to weak PC demand with server demand remaining firm

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FY2016 Forecast *



Millions of Yen, except for EPS, dividends and FX rate	1H/FY2016	2H/FY2016	Full-Year
Net Sales	600,000	650,000	1,250,000
Operating Income	63,500	66,500	130,000
Operating Income Ratio	10.6%	10.2%	10.4%
Income before Tax	63,500	66,500	130,000
Net Income	48,000	50,000	98,000
EPS (Yen)	161.83	168.58	330.41
Dividends (Yen)	40.00	40.00	80.00
FX Rate (Yen/US\$)	110	110	110
FX Rate (Yen/Euro)	120	120	120

*For convenience of reference, all numbers in the above table are projected based on U.S. GAAP.

From FY2016 onward, Nidec's financial statements will be prepared under International Financial Reporting Standards (IFRS).

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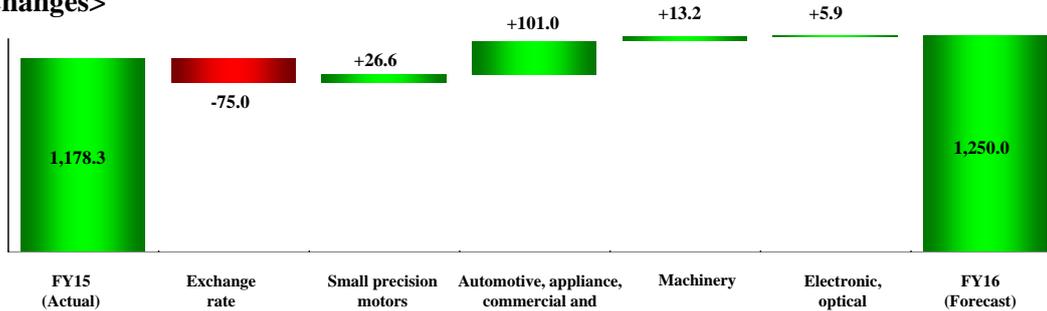
Changes FY2015 to FY2016 (Forecast) *

* Numbers are based on U.S. GAAP.
Please refer to Note on page 15 for details.



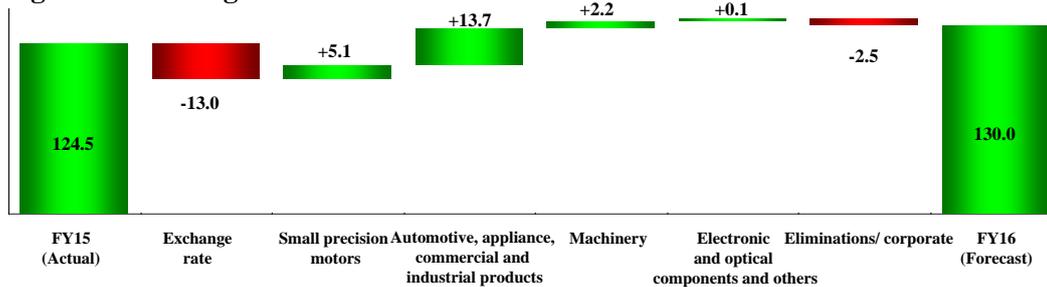
<Sales Changes>

(Billions of Yen)



<Operating Income Changes>

(Billions of Yen)



This slide includes forward-looking statements. See disclaimer on page 2 of this presentation.

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Mid-Term Strategic Goal

Vision2020

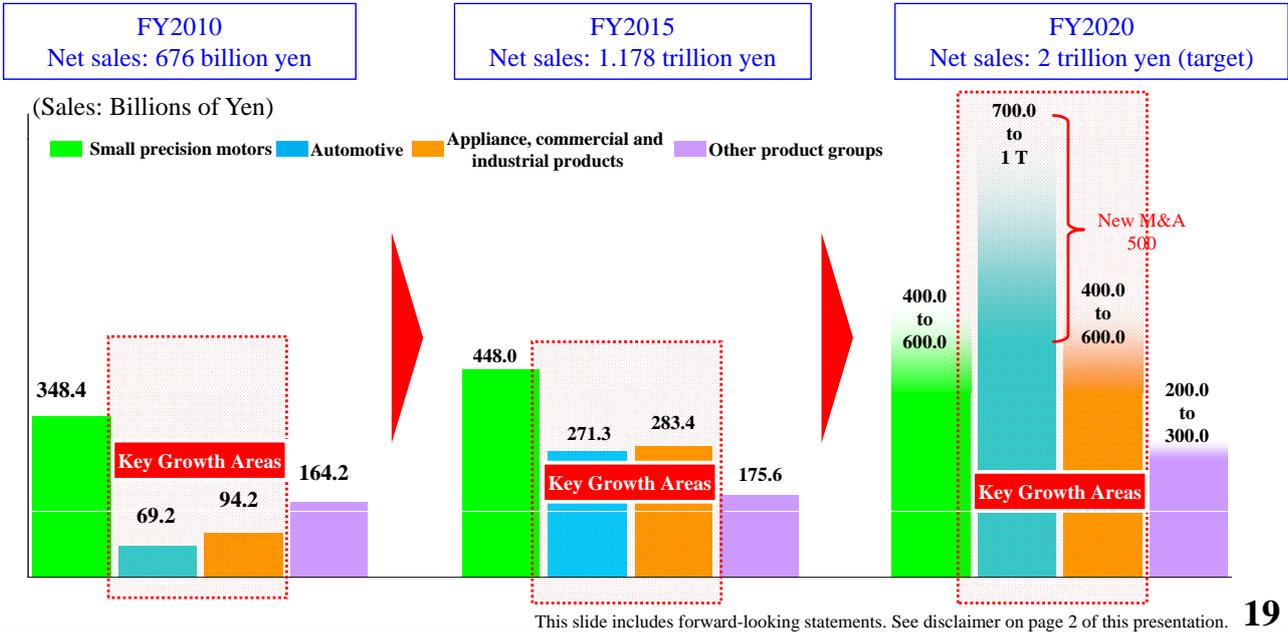
This section includes forward-looking statements. See disclaimer on page 2 of this presentation.

■ *Vision2020: Mid-Term Strategic Goal*

Continuous pursuit of profit & strong growth

- 1. Target for consolidated net sales: 2 trillion yen
(including sales attributable to new M&A
of approx. 500 billion yen)**
- 2. Sales target for automotive: 700 billion to 1 trillion yen**
- 3. Target for consolidated operating income ratio: 15%**
- 4. Target for ROE: 18%
(Assuming shareholders' equity ratio of 60%)**
- 5. Five regional HQ management**

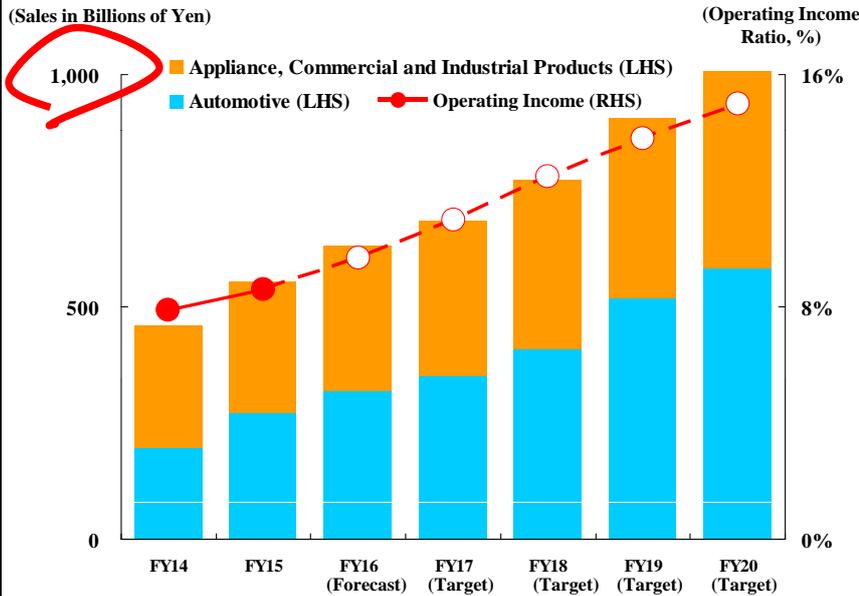
Continuing Growth Strategy with a Focus on Key Growth Areas



Quarterly Results of Automotive, Appliance, Commercial and Industrial Products over the Past Four Years



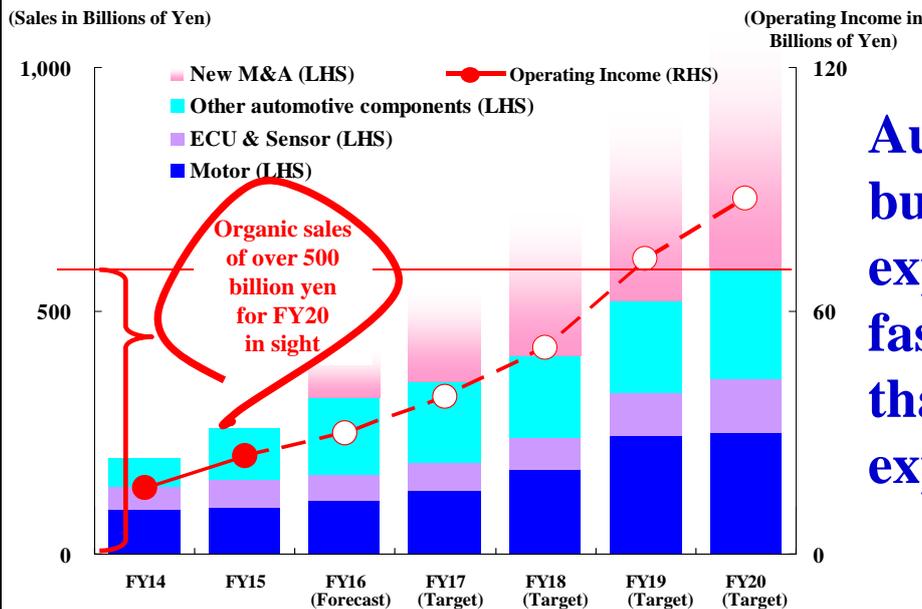
Organic Growth Outlook of Automotive, Appliance, Commercial and Industrial Products



One trillion Yen sales expected from organic growth alone in Key Growth Areas

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Organic Growth Outlook of Automotive



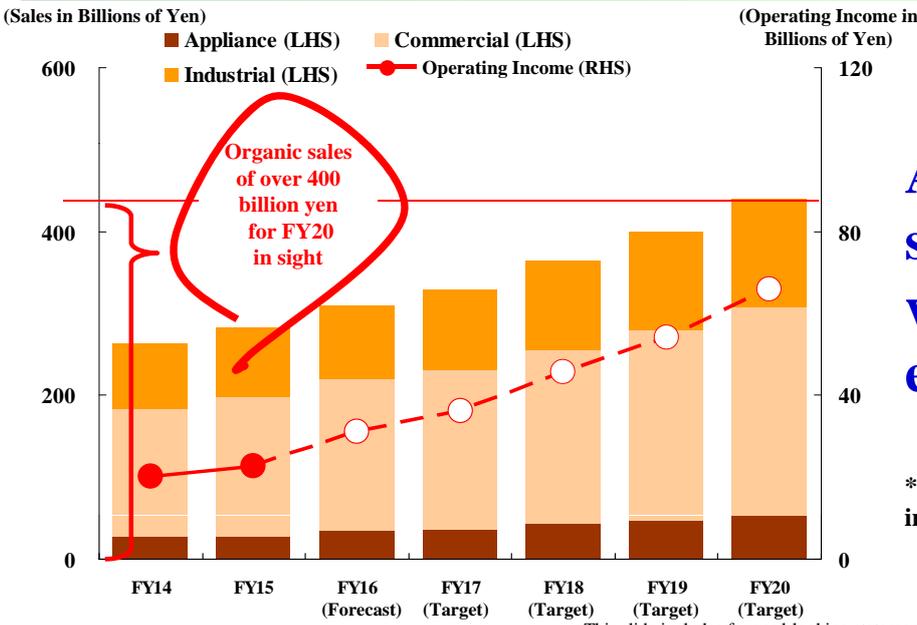
Organic sales of over 500 billion yen for FY20 in sight

Automotive business expanding at a faster pace than originally expected

This slide includes forward-looking statements. See disclaimer on page 2 of this presentation.

Organic Growth Outlook of Appliance, Commercial and Industrial

All for dreams.



ACI* growing steadily in line with original expectations

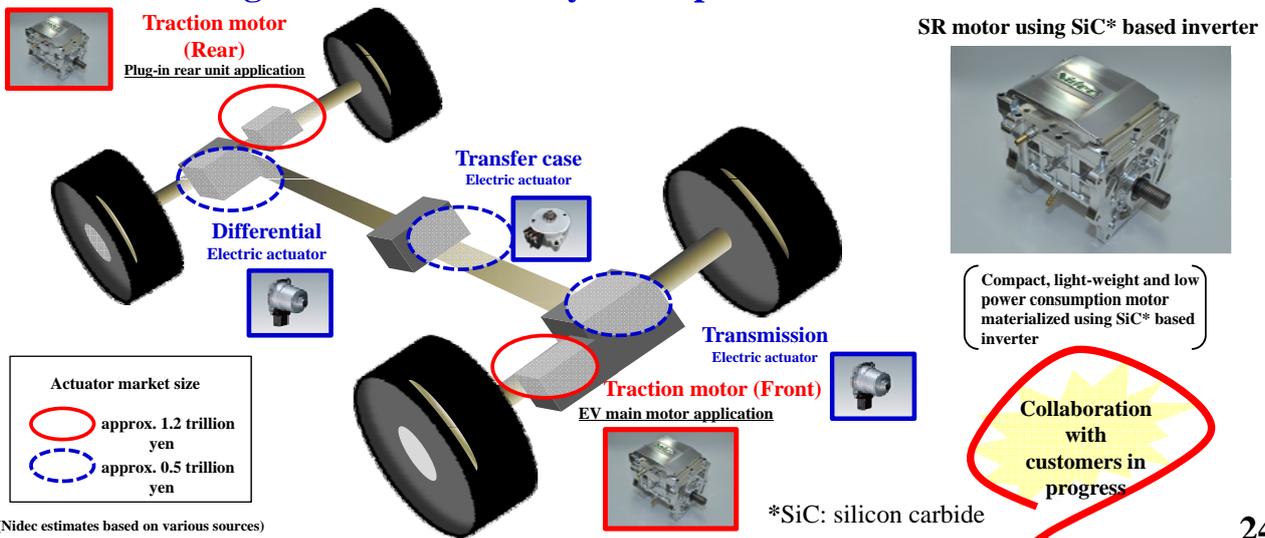
*ACI: Appliance, commercial and industrial

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New Automotive Strategy: Expanding into Powertrain-related Products

All for dreams.

Major shift from hydraulic to electric systems is under way
Aiming for a full scale entry to the powertrain-related market

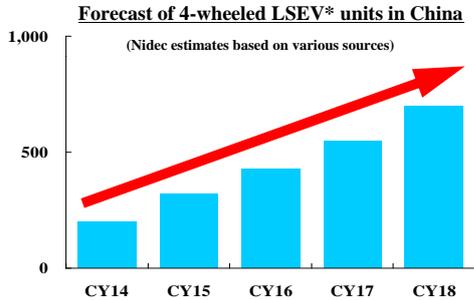


New ACI Strategy: Low Speed Electric Vehicle in China



Orders received for major components of LSEV* traction system

(Thousands of Units)



LSEV* means:



- Electric vehicles for short distance (passenger/freight)
- Typical specifications:
 1. Less than 80km/h
 2. Travel distance less than 100km
 3. Weight less than 1,500kg
- Focusing on 4-wheeled vehicles in China and 3-wheeled vehicles in India and South East Asia

Motor	Transmission	Controller	Charger

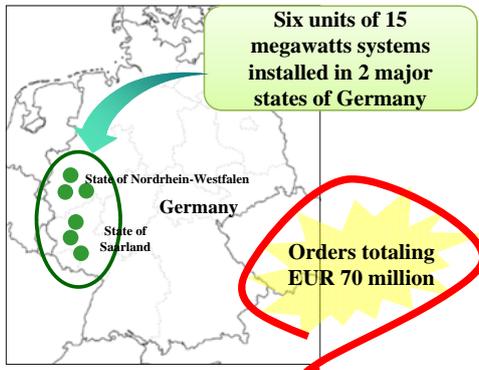
*LSEV : Low Speed Electric Vehicle

New ACI Strategy: Focusing on Large Projects



Orders received from a major German utility company for energy management system

Energy storage system for German utility STEAG (EPC business*)



*EPC business: Business conducted by a main contractor who will coordinate and integrate Engineering, Procurement & Construction



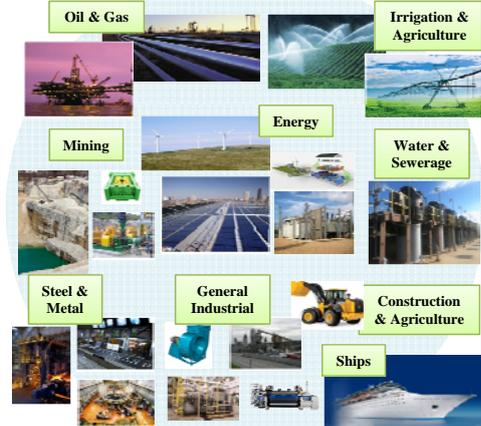
Induction motor: <25MW
Synchronous motor: <45MW
DC motor: <6MW



Low voltage drive: <1MW
High voltage drive: <25MW
Encoder

Major products and business areas for Industrial Solutions businesses

Automation, Drive systems & other power electronics products



■ New ACI Strategy: Case Study of Solution Project



Nidec's Smart Micro Grid Management System

Mission

Provide stable energy to a remote village in the Andes Mountains

Solution

Supply renewable energy with energy storage system to stabilize its output

Illustration of Smart Micro Grid Management System in Ollague, Chile

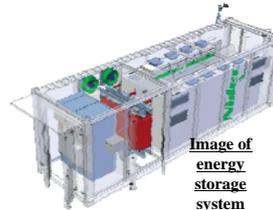
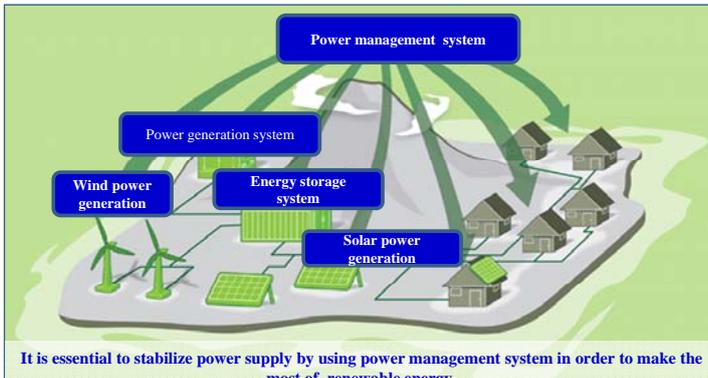


Image of energy storage system

Whole system of energy storage system is set in a container, making it easy to transport and install



Image of management system

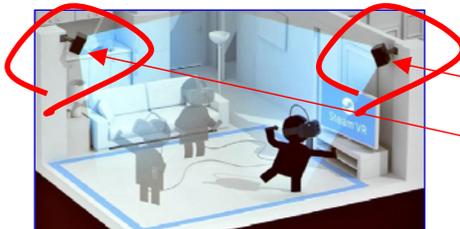
Accumulation of our technical capabilities represented by this example and past achievements are helping to win a number of new projects.

■ New Strategy for FDB Motors: Usage in Virtual Reality



□ Nidec's FDB motor is used inside HTC's Virtual Reality System

Emitting the accurate position detection laser

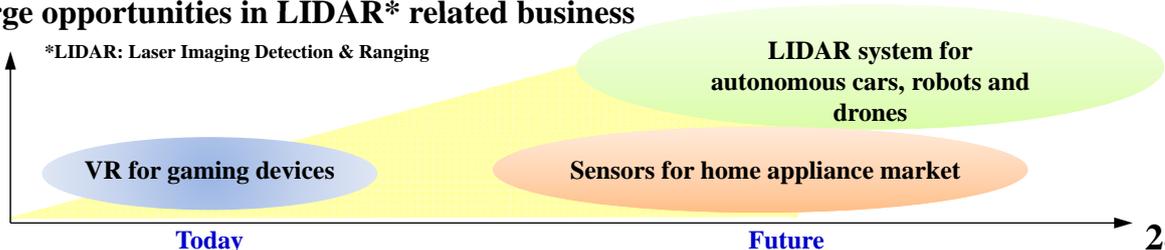


Nidec's FDB motor in Lighthouses



□ Large opportunities in LIDAR* related business

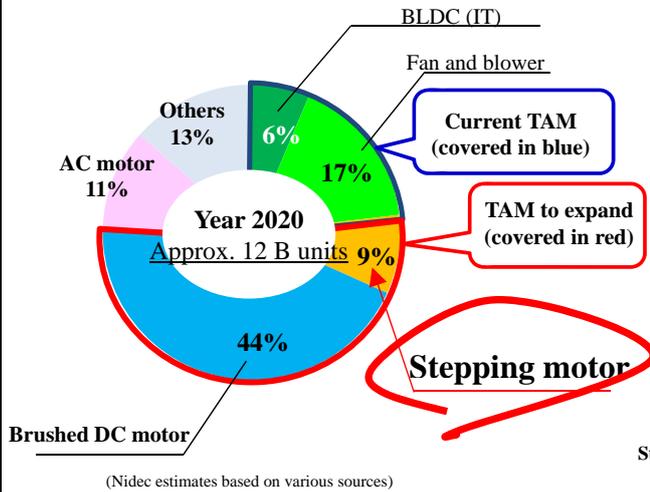
*LIDAR: Laser Imaging Detection & Ranging



Strategy: "Switch Everything to Brushless DC" Approach 1
Approach to Stepping Motor Market

Aiming to expand TAM by integrating next-generation control technology with brushless DC motors

<Future global small precision motor market estimate>
 (% based on units)

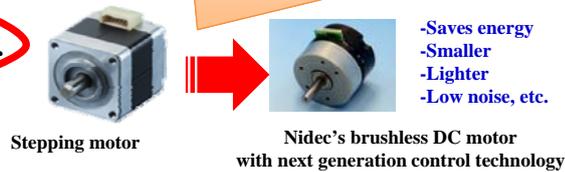


Capturing Stepping Motor Market (9% of TAM)

<Example of applications>

- ✓ OA equipment
- ✓ ATM

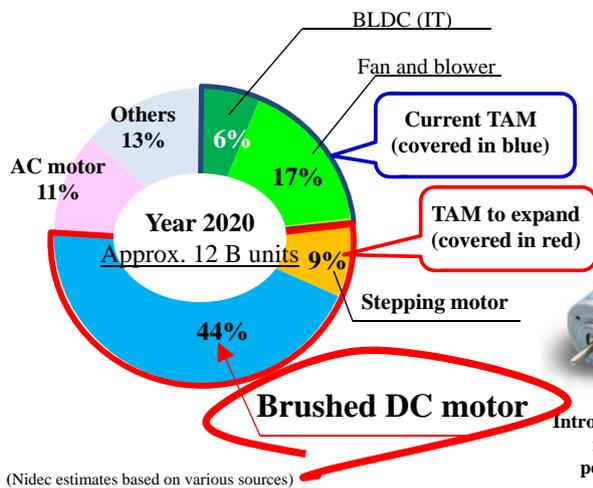
Stepping motors are used for feeding paper in printers or notes in ATM machines where accurate positioning is required. Replacing these by brushless DC motors with next-generation control technology to save energy and space.



Strategy: "Switch Everything to Brushless DC" Approach 2
Approach to Brushed DC Motor Market

Aiming to expand TAM by introducing brushless DC motors with microcomputer-controlled intelligent drive technology

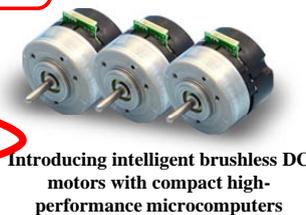
<Future global small precision motor market estimate>
 (% based on units)



Capturing Brushed DC Motor Market (44% of TAM)

<Example of applications>

- ✓ Automotive
- ✓ OA equipment
- ✓ Home Appliance
- ✓ Robots



Introduction of intelligent motors

Sensing of peripheral information by the motor itself

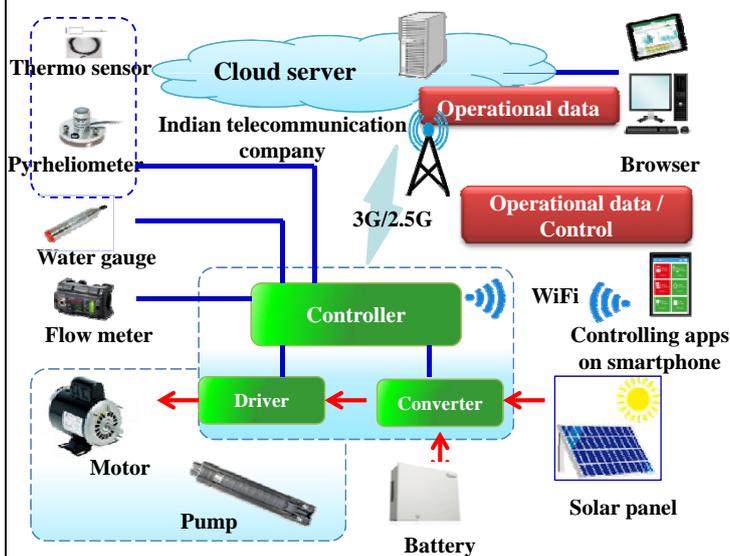
Gather and analyze information through IoT technology

Create new value-added

Social innovation engineered by robotics

 <p>Smart AGV</p> <p>Future warehouse management</p> <p>Warehouse management</p>	<p>Reducers for robots</p>  <p>Production lines</p> <p>Multiple joints robot arms</p>
 <p>Future logistics</p>  <p>Drone</p> <p>New logistic solutions</p>	<p>Everyday life</p>  <p>Robotic Cleaner</p>  <p>Various robotic appliances</p>

Aiming to support emerging/developing countries' agriculture using IoT technology



Nidec Solar pump system



Test of pumping water



Placement of solar panels



All for dreams.

Nidec IR Contacts

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*** Notes:**

Pursuant to ASC 805 "Business Combinations," consolidated financial statements for the year ended March 31, 2015 and the three months ended June 30, 2015 have been retrospectively adjusted to reflect our valuation of the fair values of the acquired assets and the liabilities assumed upon the acquisitions of Gerate- and Pumpenbau GmbH Dr. Eugen Schmidt (currently Nidec GPM GmbH) in the fiscal year ended March 31, 2015. During the three months ended September 30, 2015, we completed our valuation of such assets and liabilities of Nidec GPM GmbH.

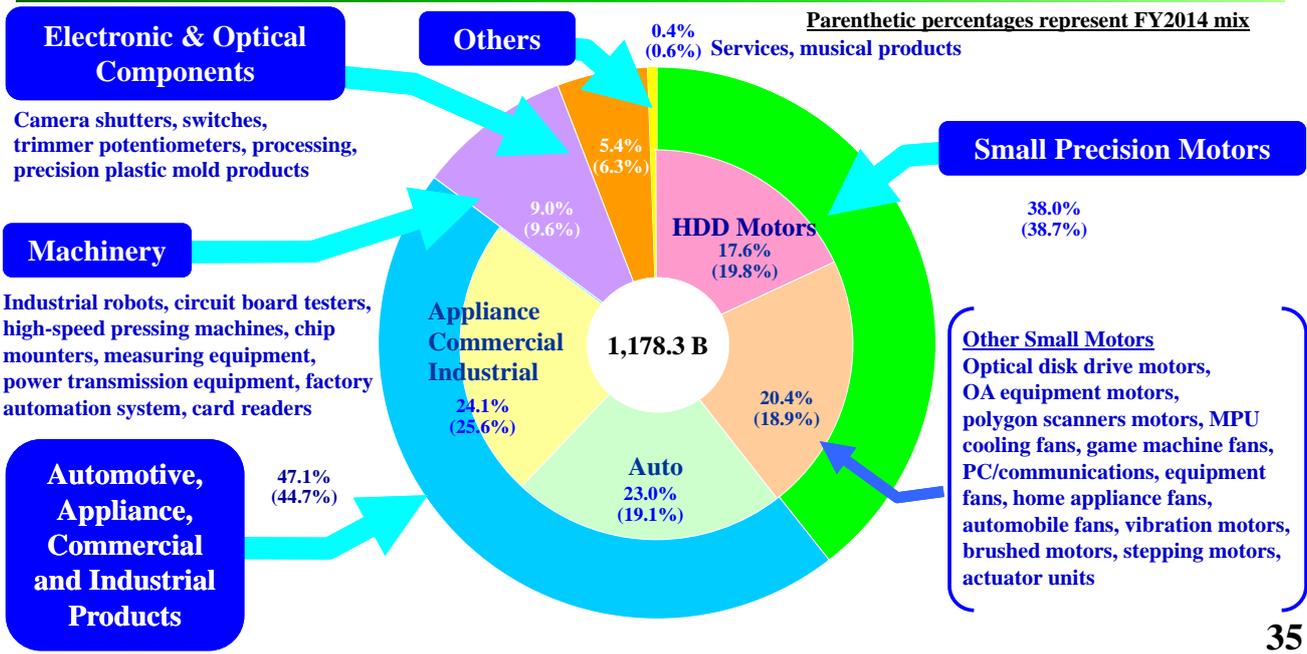
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"All for dreams" logo is a registered trademark of Nidec Corporation in Japan, and a trademark in the United States and/or certain other countries.

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Appendix

Performance Trends & Product Group Overview

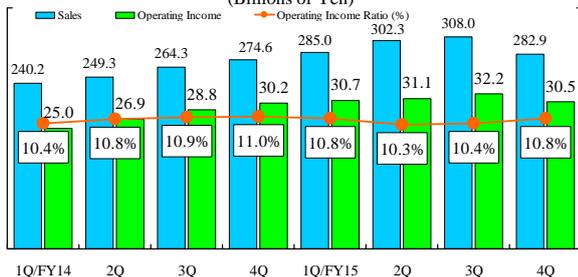
Sales by Product Group (FY2015)



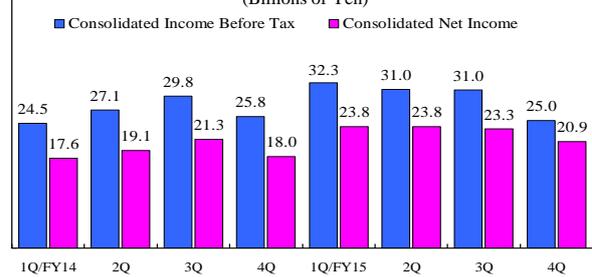
Financial Highlights



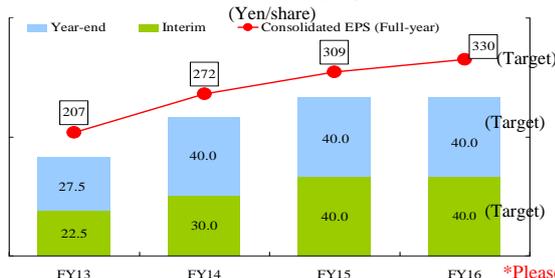
<Consolidated Sales & Operating Income>
(Billions of Yen)



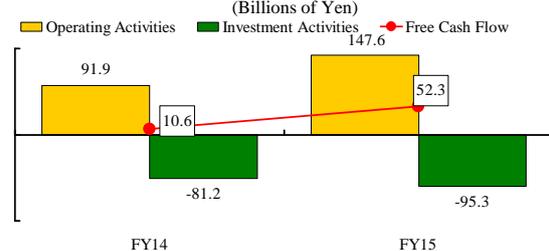
<Consolidated Income Before Tax & Net Income>
(Billions of Yen)



<Dividends and EPS>
(Yen/share)



<Consolidated Cash Flow>
(Billions of Yen)



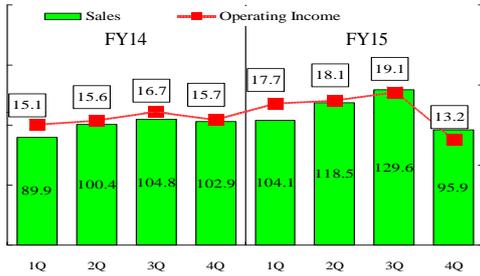
*Please refer to Notes on page 33.

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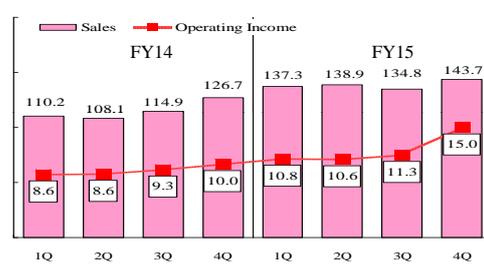
Product Group Overview



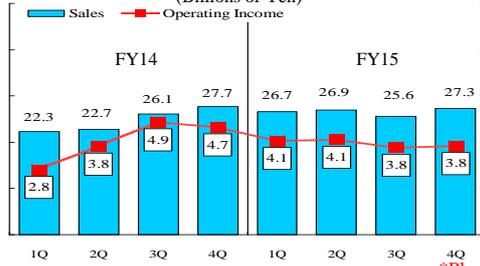
<Small Precision Motors>
(Billions of Yen)



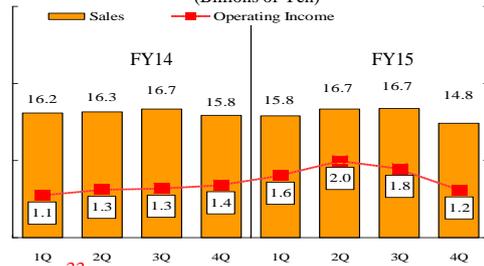
<Automotive, Appliance, Commercial & Industrial products>
(Billions of Yen)



<Machinery >
(Billions of Yen)



<Electronic and Optical Components>
(Billions of Yen)



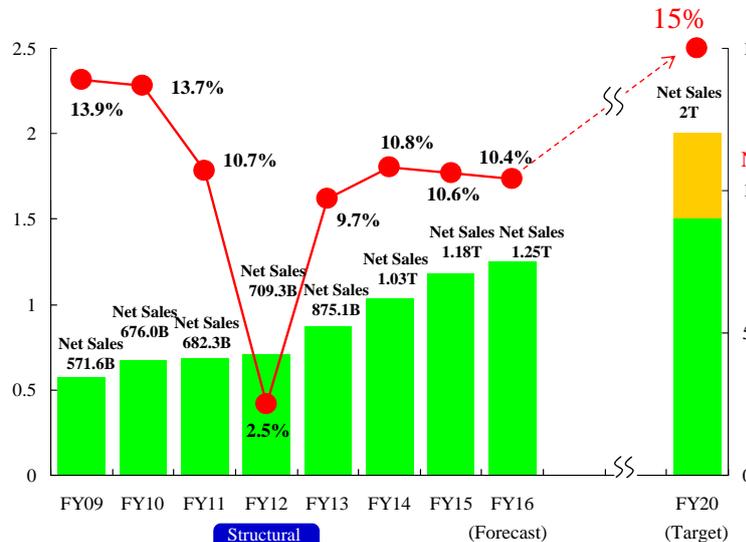
*Please refer to Notes on page 33.

Vision 2020: Targets for Net Sales and Operating Income Ratio



Aiming for both sales growth (organic + M&A) and profitability enhancement

(Net Sales in Trillions of Yen)



(Operating Income Ratio, %)

New M&A approx. 500 B

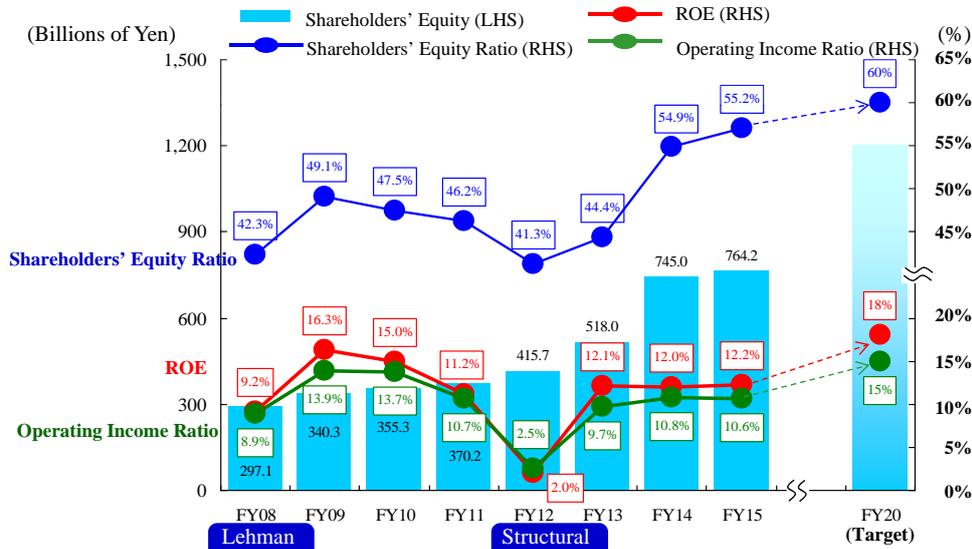
Structural Reform

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Vision 2020: Pursuing Both Strong Growth with Profit and Financial Soundness



Targeting operating income ratio of 15% and ROE of 18% while sustaining and improving financial soundness



The three elements for ROE improvement

- Net profit on sales
- Total asset turnover
- Financial leverage

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Japan Credit Rating Agency, Ltd. (JCR) upgraded our long-term issuer rating by one notch from A+ to AA- as of Oct. 1, 2014.