

Third Quarter Fiscal 2016 Results

Three and Nine Months Ended December 31, 2016
<IFRS>



January 24, 2017



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 picture of Nidec Arisa's servo press with pressurizing capacity of 4,500 tons, the largest of its kind in the world. Nidec Arisa, based in Spain has recently received an initial order for this new servo press from Gestamp Automoción, one of the largest manufacturers of metal automotive components.

■ Consolidated Profit/Loss (IFRS-Based)*

Millions of Yen, except for EPS and FX rate	3Q/FY2015 (Apr –Dec)	3Q/FY2016 (Apr-Dec)	Change	FY2016 Forecast
Net sales	895,353	868,228	-3.0%	1,200,000
Operating profit	90,286	106,197	+17.6%	140,000
<i>Operating profit ratio</i>	<i>10.1%</i>	<i>12.2%</i>	-	<i>11.7%</i>
Profit before income taxes	92,467	107,771	+16.6%	140,000
Profit attributable to owners of the parent	69,526	81,638	+17.4%	105,000
EPS (Yen)	234.19	275.25	+17.5%	354.01
FX rate (Yen/US\$)				
Average:	121.70	106.63	-12.4%	110.00
Term end:	120.61	116.49	-3.4%	(Assumed for 4Q)

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 net sales, respectively, and 1.10 billion yen and 0.30 billion yen on operating profit, respectively.

*From FY2016 onward, our financial statements are prepared under International Financial Reporting Standards (IFRS). This slide includes forward-looking statements. See Disclaimer on Page 2.

3

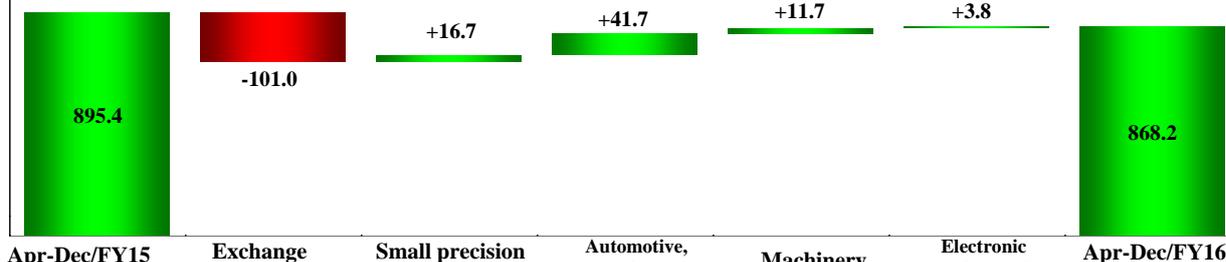
■ Summary of 3Q FY2016

- **Record-high nine months operating profit, profit before income taxes and profit attributable to owners of the parent**
- **Record-high three months profit before income taxes and profit attributable to owners of the parent**
- **Double-digit operating profit ratio maintained for both three and nine month periods (10.5%) in Automotive, Appliance, Commercial and Industrial Products, which are key drivers of the company's business portfolio transformation**
- **Upward revision to FY2016 profit forecasts**

4

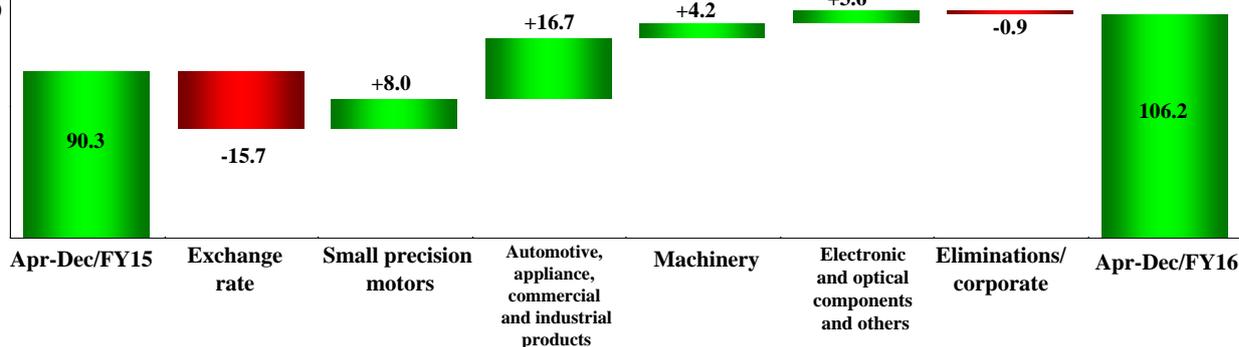
IFRS-Based Year-on-Year Changes (Nine Months Ended Dec. 2016)

<Net Sales> (Billions of Yen)



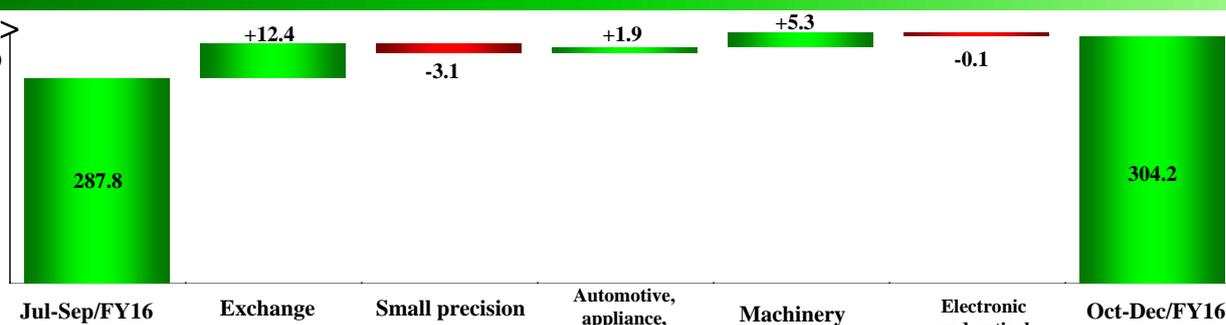
<Operating Profit>

(Billions of Yen)



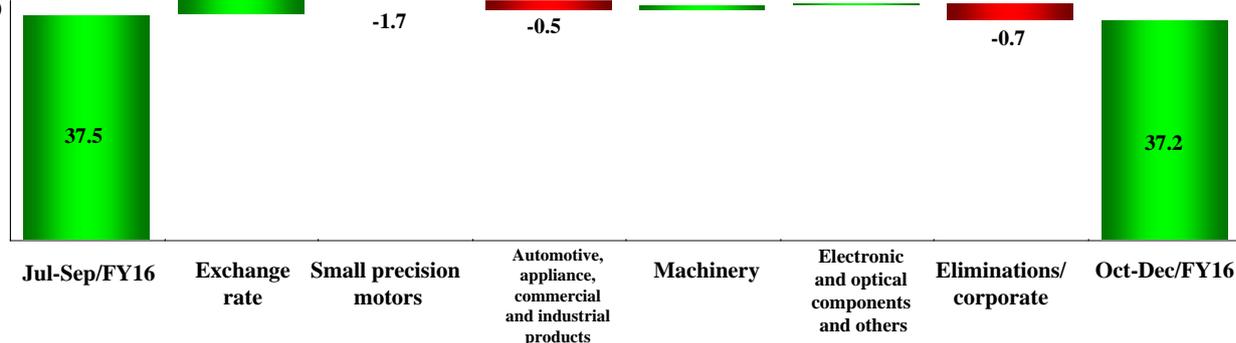
IFRS-Based Quarter-on-Quarter Changes (Three Months Ended Dec. 31)

<Net Sales> (Billions of Yen)



<Operating Profit>

(Billions of Yen)



<FY2016 Full-Year Financial Forecasts>

Millions of Yen, except for EPS, dividends and FX rate	As of Apr. 25, 2016	As of Oct. 24, 2016	As of Jan. 24, 2017
Net sales	1,250,000	1,200,000	1,200,000
Operating profit	130,000	135,000	140,000
Operating profit ratio	10.4%	11.3%	11.7%
Profit before income taxes	130,000	133,000	140,000
Profit attributable to owners of the parent	98,000	100,000	105,000
EPS (Yen)	330.41	337.15	354.01
Dividends (Yen)	80.00	85.00	85.00
FX rate (Yen/US\$)	110	100	110
FX rate (Yen/€)	120 (Assumed)	110 (Assumed for 3Q onward)	117 (Assumed for 4Q)

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

Mid-Term Strategic Goal Vision2020

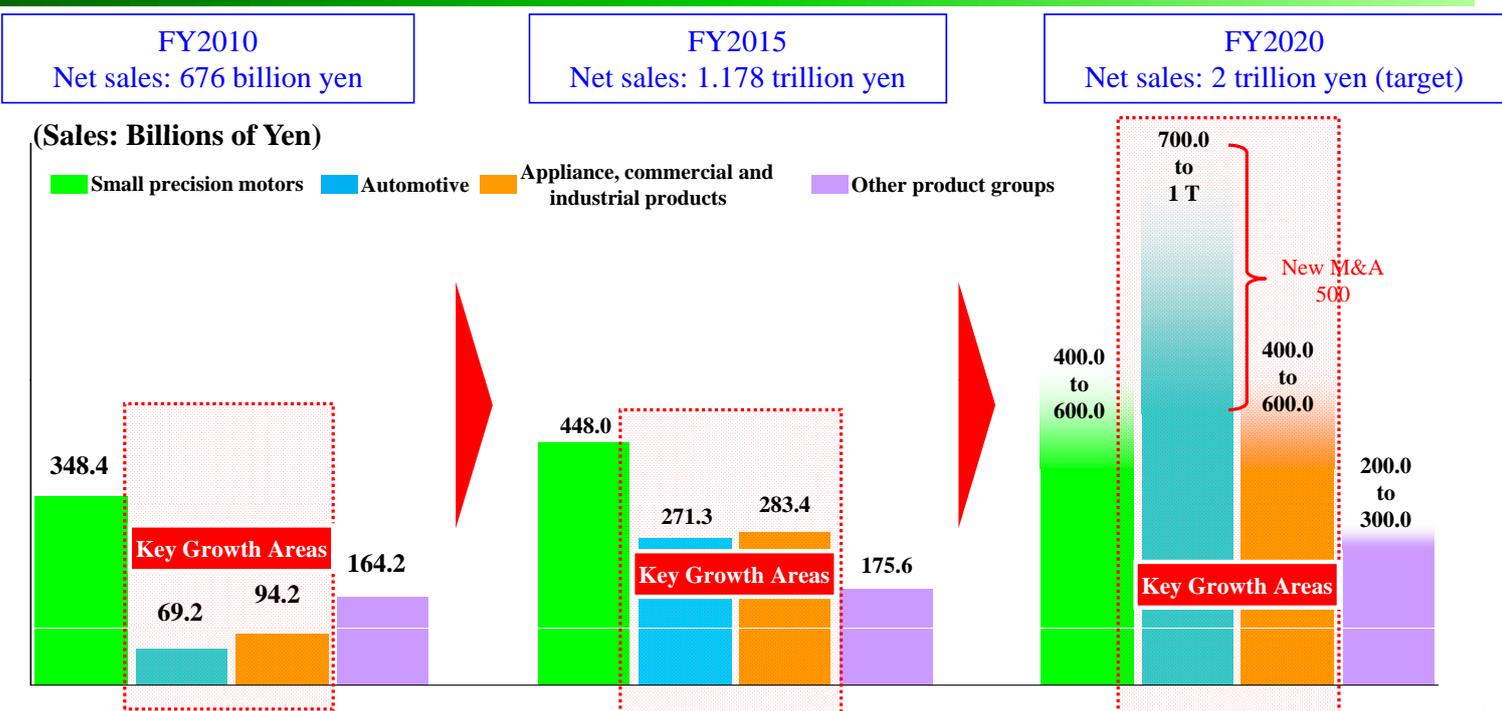
This section includes forward-looking statements. See Disclaimer on Page 2.

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 profit ratio: 15%
4. Target for ROE: 18% (assuming shareholders' equity ratio of 60%)
5. Five regional HQ management units

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

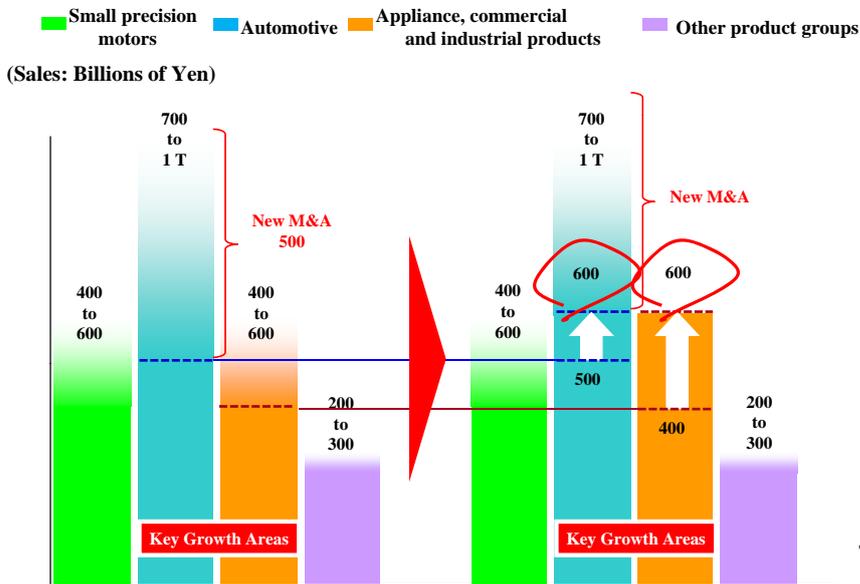
■ Continuing Growth Strategy with a Focus on Key Growth Areas



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

Key Growth Areas Outpace Initial Projections

FY2020
Net Sales: 2 trillion yen (Target)

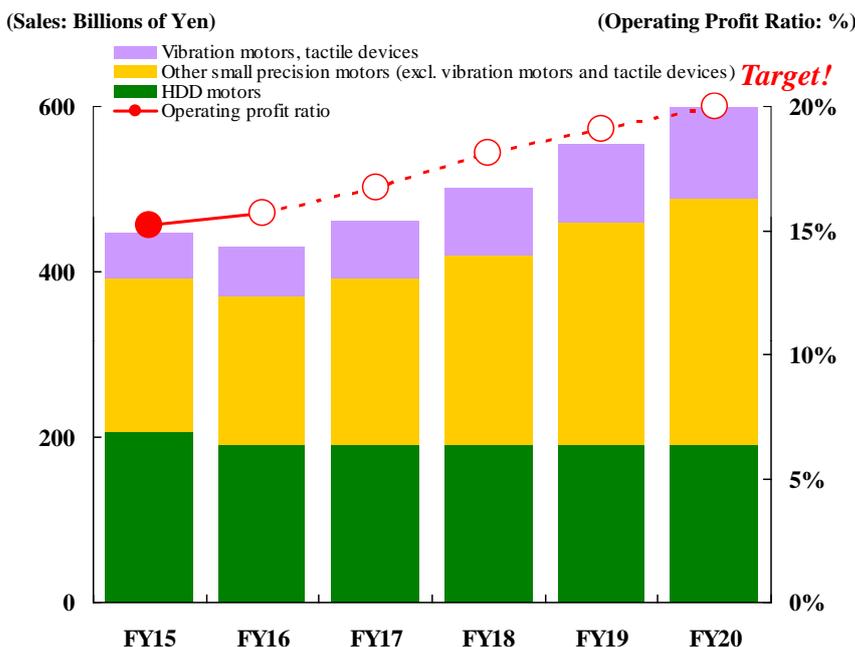


600 billion-yen organic sales growth coming into view for both “Automotive” and “Appliance, Commercial and Industrial Products”

Solid progress toward achieving sales target of 2 trillion yen in FY2020

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

Small Precision Motors Growth Outlook



Sales expected to expand at CAGR 6% to FY2020

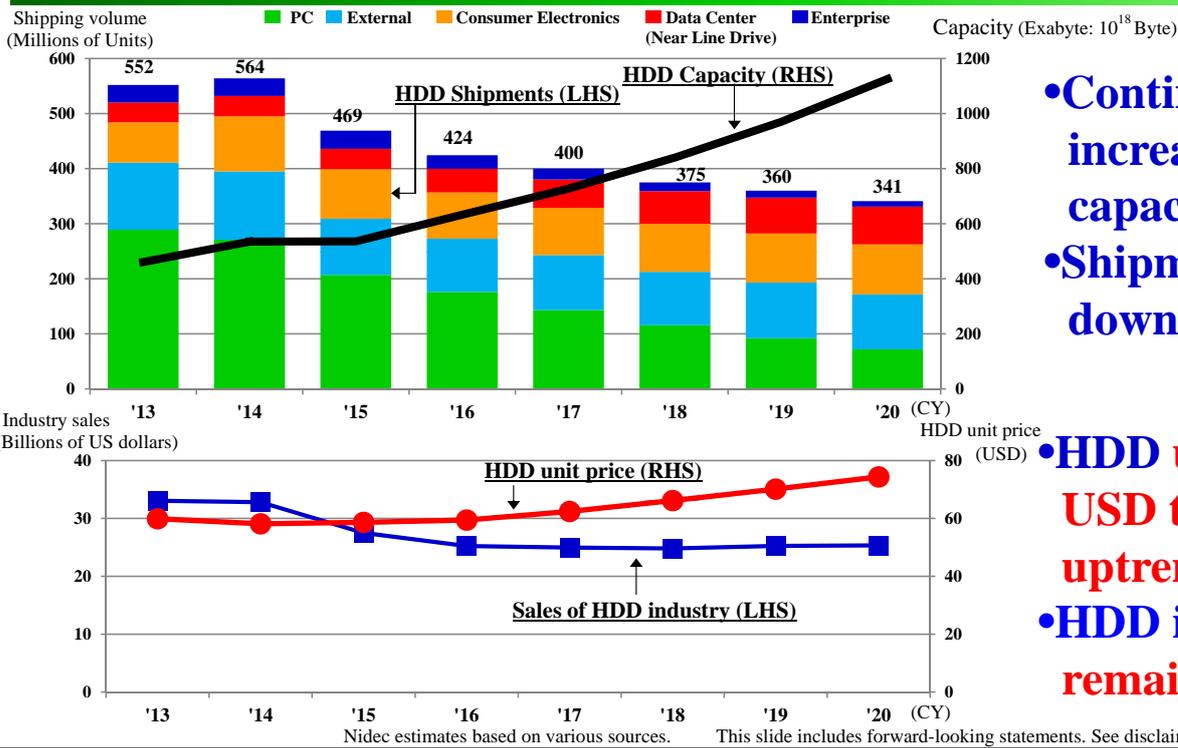
- HDD motors
 - ▶ Leveling off
- Other small precision motors
 - ▶ Double-digit growth driven by a constant flow of new products

Aiming to exceed 20% operating profit ratio

Nidec estimates based on various sources.

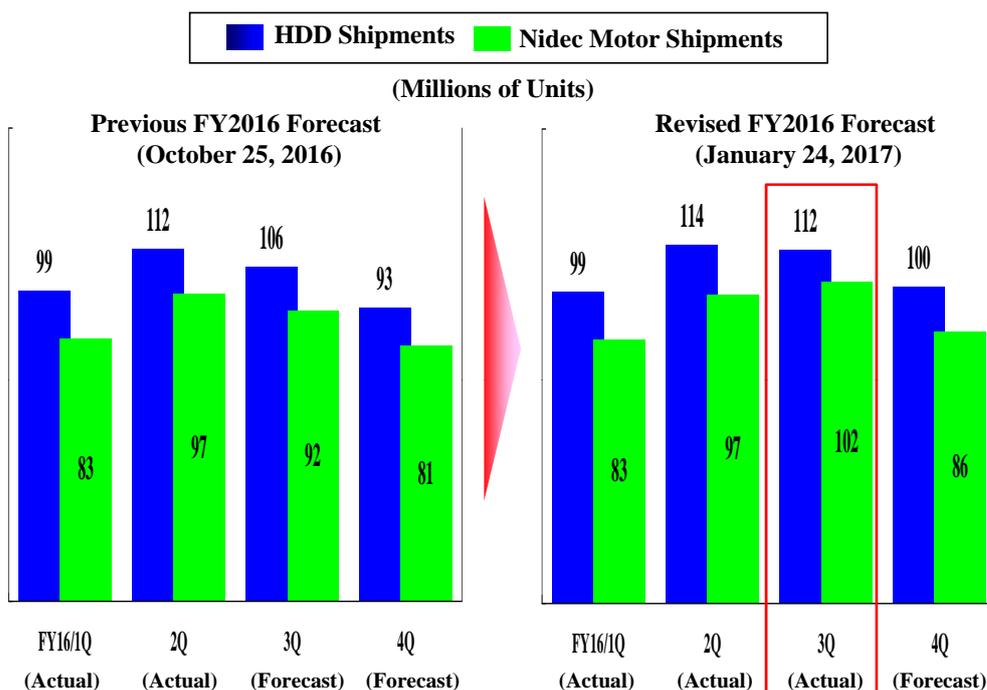
This slide includes forward-looking statements. See Disclaimer on Page 2. **12**

HDD Market Mid-Term Trend



- Continuous increase in HDD capacity
- Shipments on downward trend
- HDD unit price (in USD terms) on uptrend
- HDD industry sales remaining flat

HDD Market Short-Term Trend



- 3Q/FY16 results surpassed initial forecast
- Annual forecast revised upward

<Previous FY2016 Forecast (October 25, 2016)>

HDD shipments: 410 mil. units/year
Nidec motor shipments: 353 mil. units/year

<Revised FY2016 Forecast (January 24, 2017)>

HDD shipments: 425 mil. units/year
Nidec motor shipments: 368 mil. units/year

Three key hands-on management approaches toward achieving higher profitability

- 1 **Well-digging management** ✓
A well of limitless ideas needs constant digging to keep flowing
- 2 **Household accounts management**
 Live within your means.
- 3 **1000 cuts management** ✓
A “big issue” is not that big once it is cut into smaller pieces.

Accelerate growth on absolute profit amounts

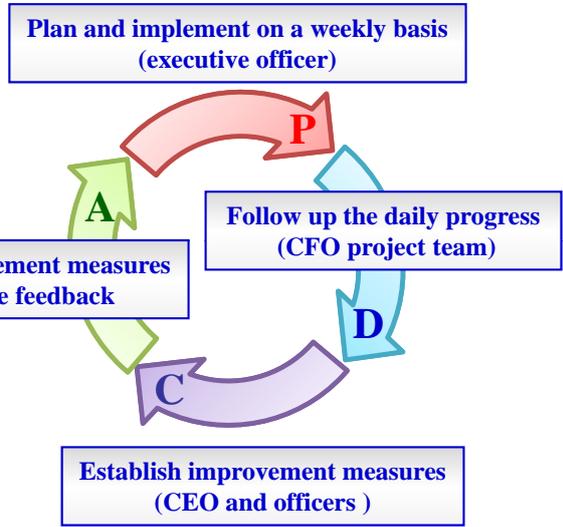
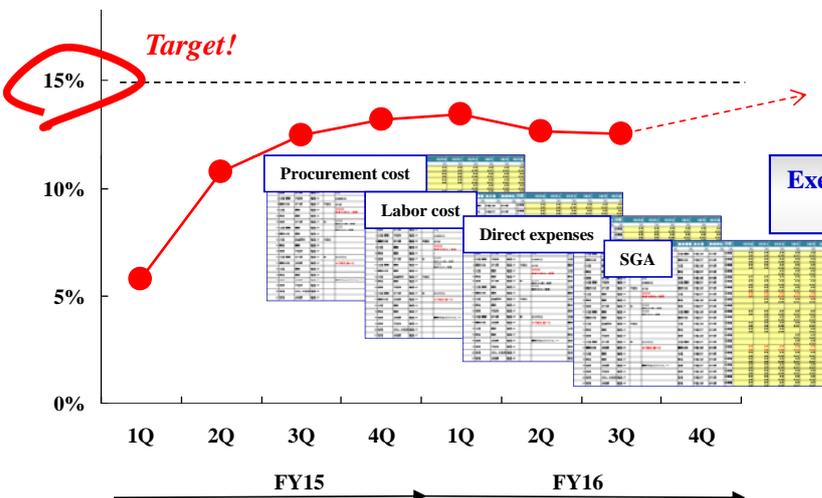


■ Improvement in Profitability of Automotive (Example: Subsidiary A)

Tackle with underlining issues per cost category through “well-digging” and “1000 cuts” approaches within PDCA cycle

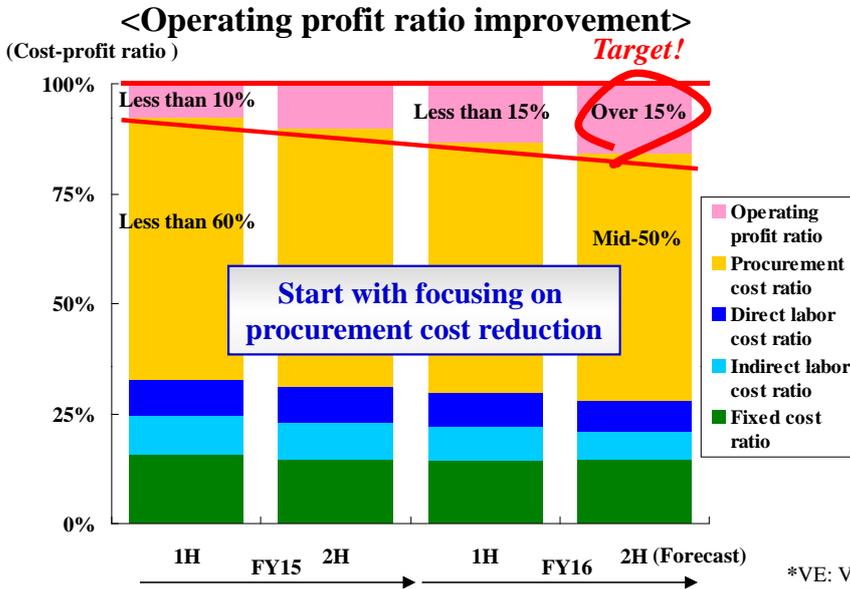
<Operating profit ratio improvement>

(Operating profit ratio)



Improvement in Profitability of Appliance, Commercial and Industrial Products (Example: Subsidiary B)

“Well-digging” approach triggering active flow of VE*/VA ideas;
continuous procurement cost reduction enabled through “1000 cuts” approach**



- Cost reducing solutions through **VE/VA**
- **Enhanced productivity** in overseas manufacturing sites (labor downsizing)
- Cost reduction through **integrated purchasing** (economies of scale)
- Promotion of **in-house parts production and local purchasing**

*VE: Value Engineering ** VA: Value Analysis

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

Acquisition of U.S.-Based Canton Elevator, Inc.

Accelerate elevator package business in North American market

<Transaction profile>

Company name	Canton Elevator, Inc.
Headquarters	North Canton, Ohio, U.S.
Foundation	1946
Subsidiary	Canton Architectural Products, Inc.
Directors	Director and Chairman: Pradeep Sood (Business Platform Leader of the Elevator & Drive Systems business of Nidec Appliance, Commercial & Industrial Motor Business Unit) Director and President: Bryan Haight, former Sales Vice President of Canton Other two directors
Principal business	Design, manufacture and sales of commercial, residential, and freight elevator systems and components
Employees	98
Sales	US\$33.7 million (fiscal year ended December 31, 2015)

<Complementary products>

Strong presence Weak presence

	Nidec	Canton	After acquisition
Package	Weak presence	Strong presence	Strong presence
Cabinet	Weak presence	Strong presence	Strong presence
Control	Strong presence	Weak presence	Strong presence
Motor	Strong presence	Weak presence	Strong presence

<Products>

<Elevator package>



<Elevator cabinet>



<Parts>



■ **Vision2030: Stepping Stones toward Becoming 10-Trillion Yen Company (1)**  **Nidec**
-All for dreams



Nidec Corporation Head Office ANNEX Global Learning Center
(completion scheduled for spring 2017)



Nidec Center for Industrial Science
First-phase construction (left): completion scheduled for January 2018
Second-phase construction (right): completion scheduled for 2020-2025

1. Fifty-fifty sales contribution from **M&A** and **organic expansion** re-boosting growth
2. New incubator for globally competent employees slated for completion this spring
▶ **Global Learning Center**
3. Expansion of **Nidec Center for Industrial Science**
▶ New level of craftsmanship based on modern manufacturing science

■ **Vision2030: Stepping Stones toward Becoming 10-Trillion Yen Company (2)**  **Nidec**
-All for dreams



“Work Style Reform” motivational poster

1. **Enriching the pool of human resources** for future business expansion
▶ Management, technology
2. Following through on **Work Style Reform**
▶ Highly productive and globally competitive company
3. **Closing gender gaps in leadership positions** (particularly in Japan)
▶ Supportive work place environment



Brand promotion scheme featuring a popular Kyoto native actor Kuranosuke Sasaki



Professional baseball sponsorship (Tokyo Yomiuri Giants)

1. **Raising brand recognition**
 - ▶ TV commercials, corporate website, etc.
2. **Enhancing corporate identity**
 - ▶ **Brand unification**
3. **Integrating all group companies**
 - ▶ unified wage and performance appraisal system
 - ▶ personnel exchange

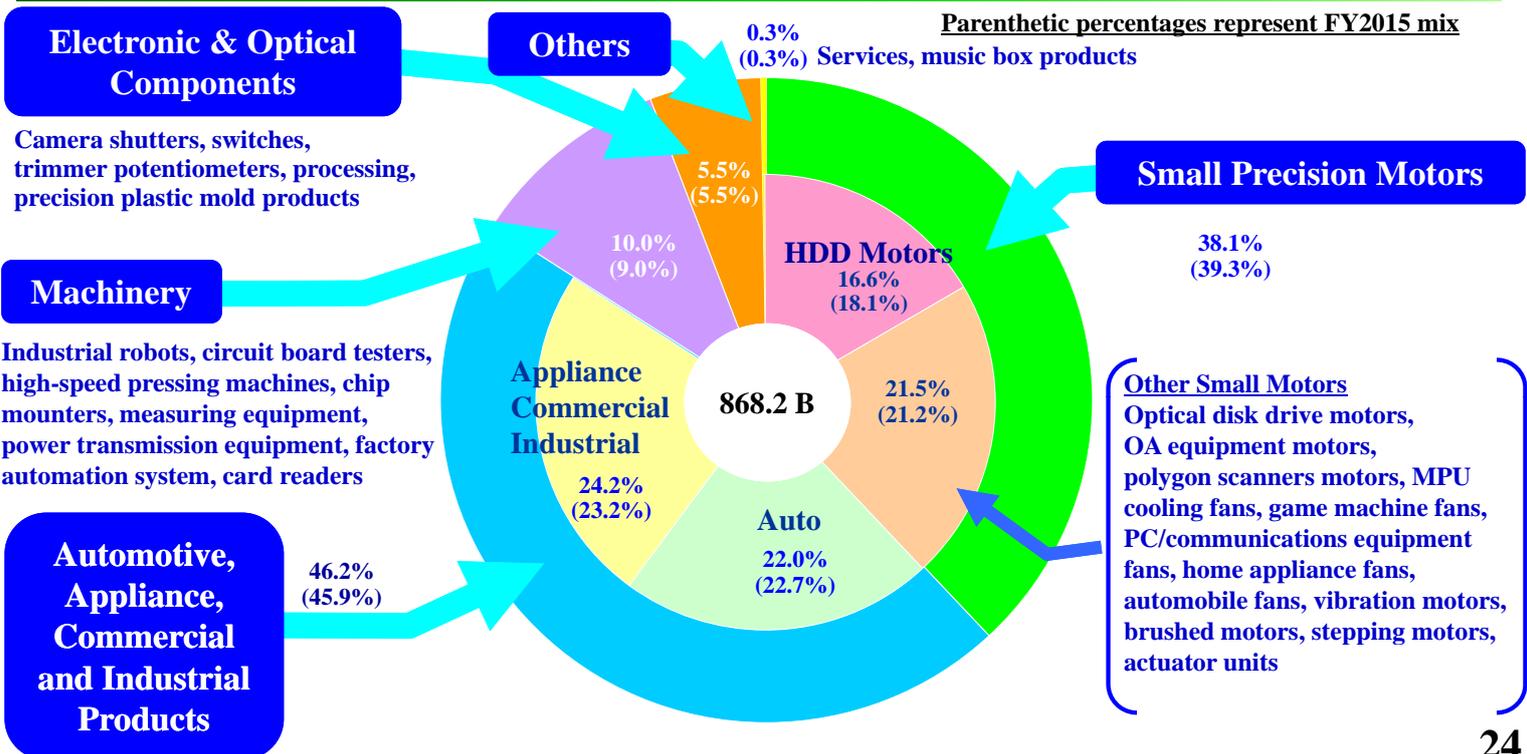


Nidec IR Contacts

Japan	Tel: +81-75-935-6140	E-mail: ir@nidec.com
U.K.	Tel: +44-870-351-7388	E-mail: iwai.yuji@nidec.com
U.S.	Tel: +1-212-703-7988	E-mail: nagase.kiyoshi@nidec.com

Performance Trends & Product Group Overview

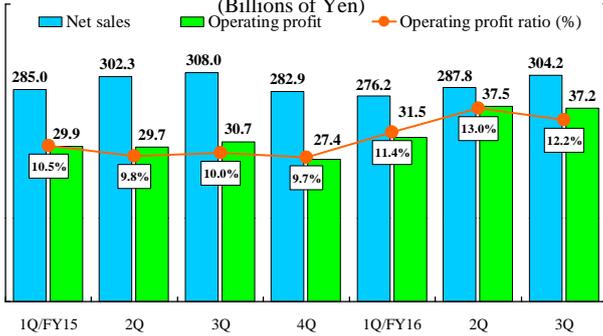
Sales by Product Group (Apr-Dec FY2016) (IFRS-Based)



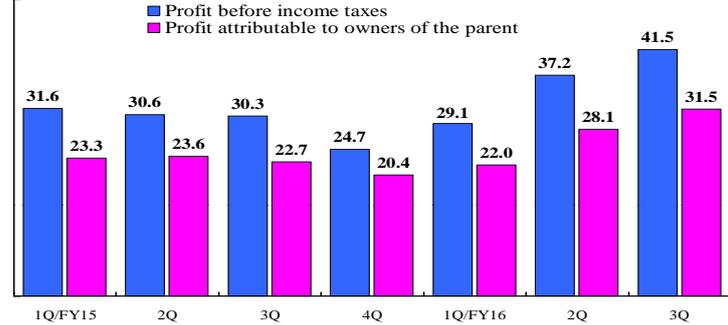
Financial Highlights (IFRS-Based)



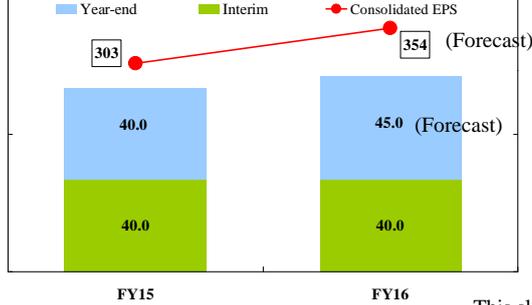
<Consolidated Net Sales & Operating Profit>



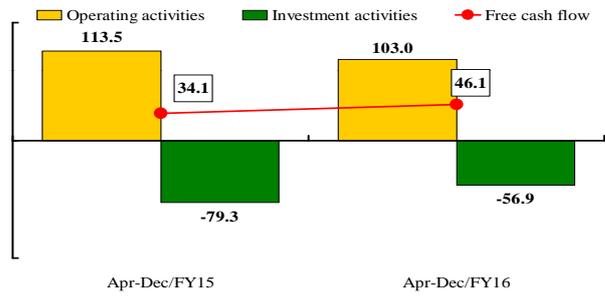
<Consolidated Profit Before Tax & Profit>



<Dividends and EPS>



<Consolidated Cash Flow>

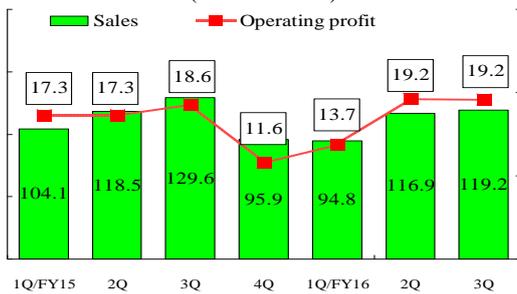


This slide includes forward-looking statements. See Disclaimer on Page 2.

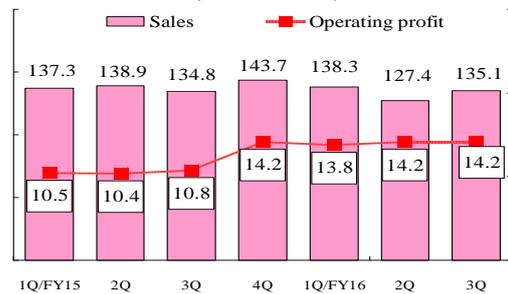
Product Group Overview (IFRS-Based)



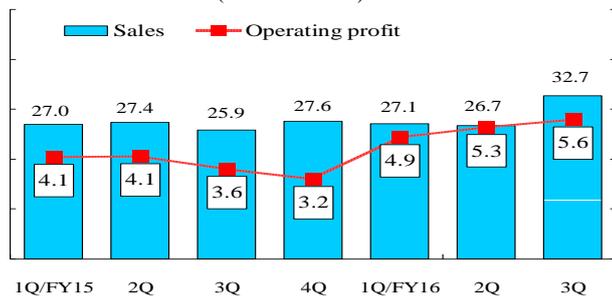
<Small Precision Motors>



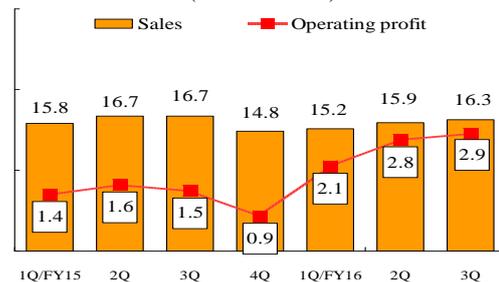
<Automotive, Appliance, Commercial & Industrial Products>



<Machinery>

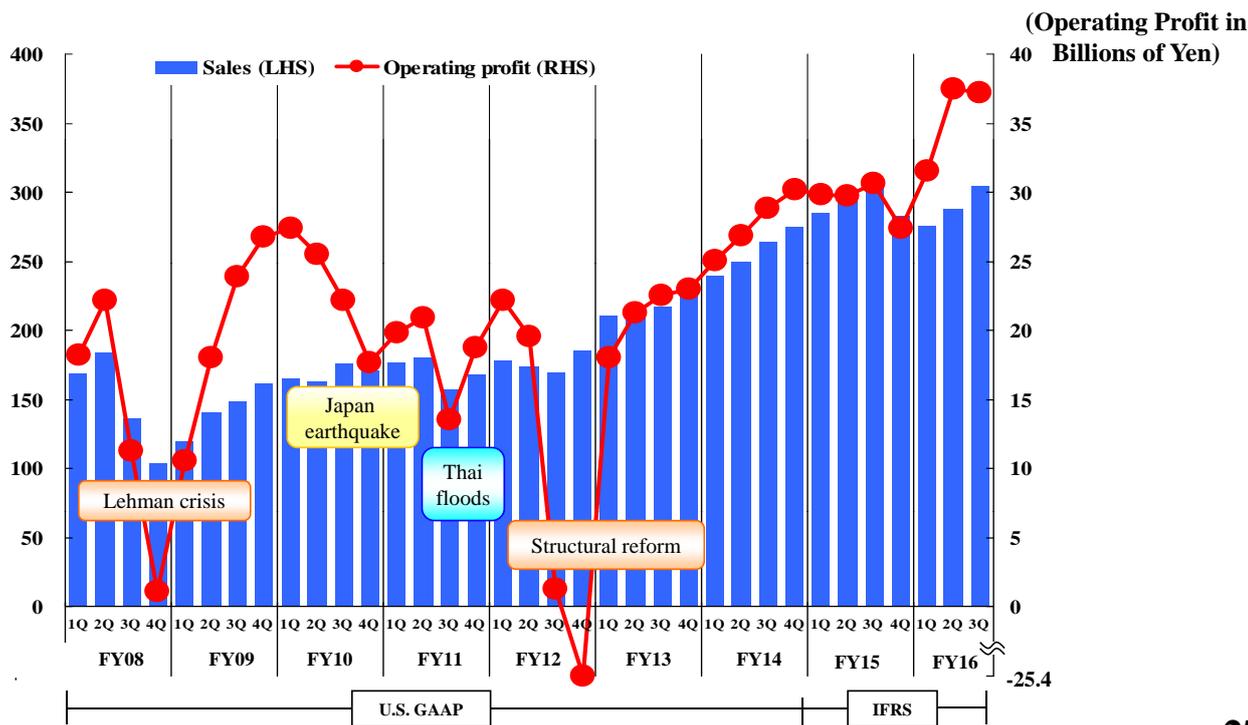


<Electronic and Optical Components>



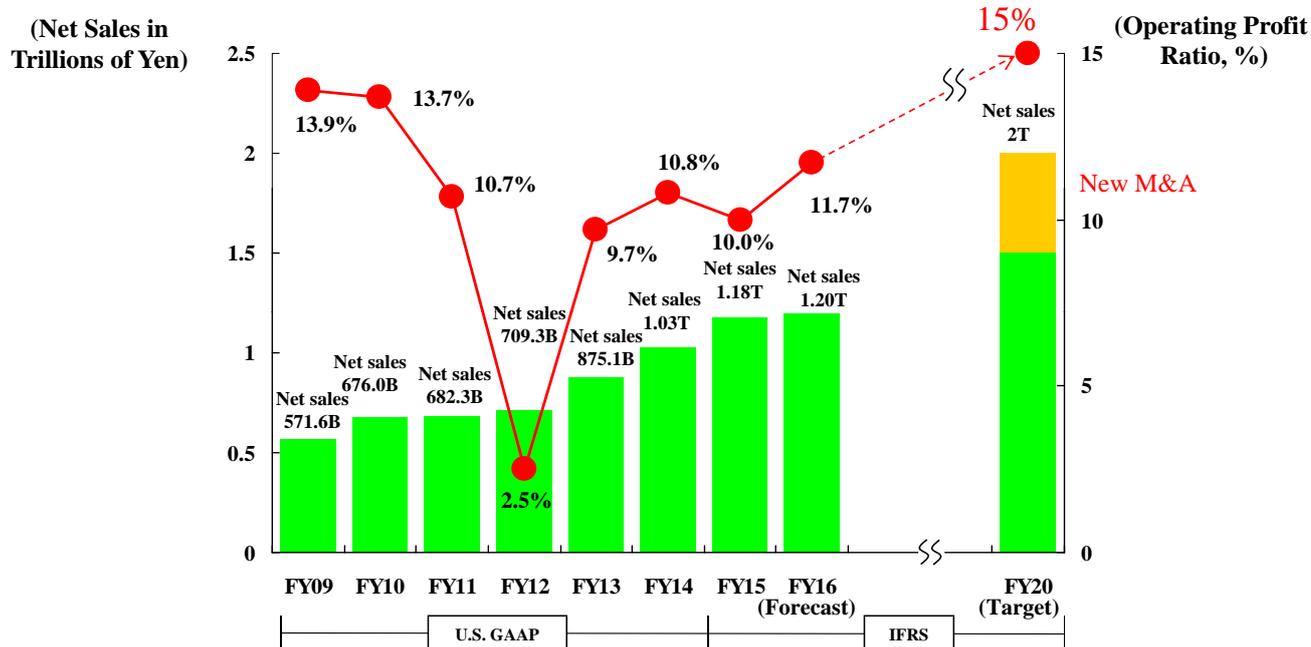
Consolidated Quarterly Sales and Operating Profit

(Net Sales in Billions of Yen)



Vision 2020: Targets for Net Sales and Operating Profit Ratio

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

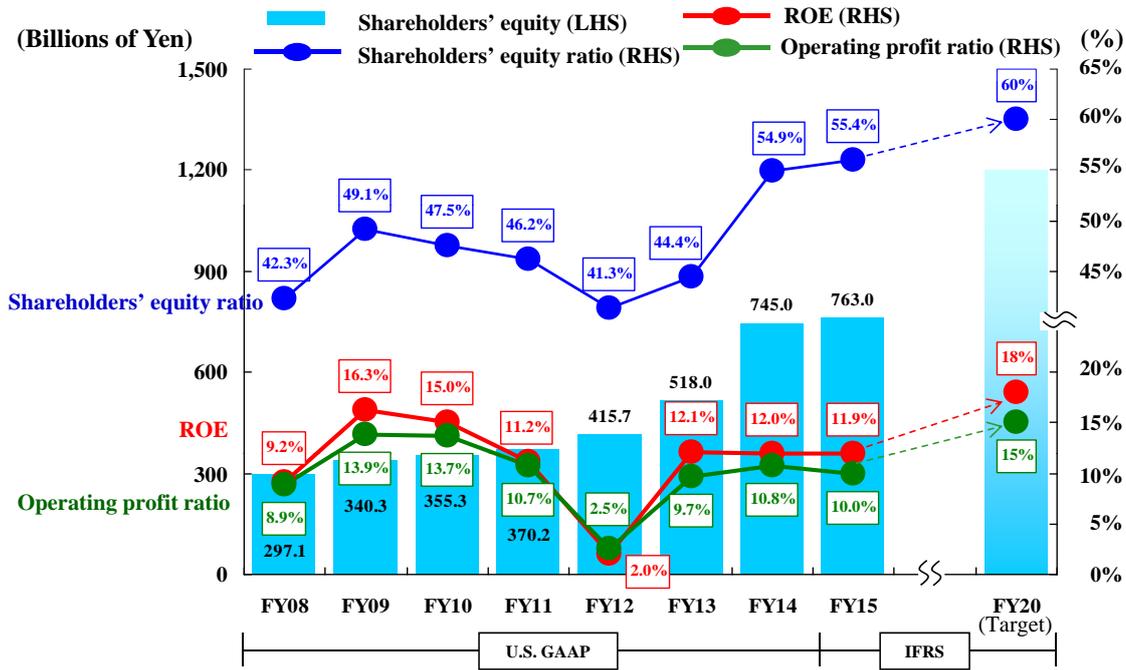


This slide includes forward-looking statements. See Disclaimer on Page 2.

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



Targeting operating profit 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

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